

My name is Steve Smith. I am a part time resident of Dunedin City. My wife Fiona and I own a property at Brighton where we spend most of our weekends. Our children attended school in Dunedin. One daughter attended Otago Polytechnic and now is a nurse at Dunedin Hospital, and the other is finishing off a Commerce Degree at Otago University in Dunedin. I am the General Manager of AB Lime, which operates the AB Lime landfill at Winton.

I wish to submit in relation to the Long-Term Plan, particularly with respect to the funding for the establishment of the Smooth Hill Facility. I genuinely believe that committing close to \$100 Million to the construction of Smooth Hill is a fool hardy decision, and I am very concerned about the robustness of some of the key assumptions of the analysis that has been provided in support of the project. I also believe that a number of the reasons for opposing an option to export waste from Dunedin are unfounded.

Waste Future Strategy

1. The DCC Council and Staff, over the last number of years, have been determined to execute on the strategy of re-consenting the landfill at Green Island, and subsequently building a modern Class 1 landfill facility at Smooth Hill. The Draft 9-year Plan 2025-34 is another example of the single-minded implementation of this plan.
2. A document presented to the Council as an update on Smooth Hill on 28 January 2025 concludes that both the construction of the Smooth Hill Landfill Facility and exporting of waste would trigger mandatory consultation through the Long Term Plan under Section 97 of the Local Government Act 2002.
3. The 9-year Plan embeds the building of Smooth Hill but is essentially silent on the future option of exporting of waste.
4. The Council adoption of the proposed 9-year plan locks in the Waste Future Strategy, and ensures the removal of the alternative option of exporting waste 'out-of-region', without the DCC needing to initiate further extraordinary consultation processes. This therefore is the last opportunity as a 'go/no go' on the construction of Smooth Hill.
5. The Council documents that discuss exporting waste to AB Lime in Winton that have been released to the public, have been heavily redacted.
6. It is extremely hard, even for me as a landfill expert and the General Manager of AB Lime, to understand how the Council have come to the conclusions they

have, let alone the wider public and ratepayers of Dunedin that may understand less about the alternatives available. Based on my detailed understanding of operating a Class 1 landfill, the numbers simply do not stack up.

7. The strategy to push ahead with Green Island and Smooth Hill is hard for us at AB Lime to understand. We know from our experience with AB Lime and the WasteNet Group (the shared solid waste service between the Councils for Invercargill, Southland and Gore), the exporting waste solution could immediately offer better waste minimisation outcomes, better carbon reduction outcomes, better environmental outcomes (by avoiding further landfilling at Green Island), easier operational outcomes and better financial outcomes for the City.
8. The reasons that the Councillors should not approve funding for construction of Smooth Hill are documented hereon.

Consenting Issues – Green Island Landfill Facility

9. The conditions in the Commissioners decision, regarding the Green Island Landfill consent, discuss the ability to receive waste at Green Island facility until 12 months after the Smooth Hill facility opens.
10. This is again locking the Dunedin City Council into the construction of the Smooth Hill facility.
11. Everything in the Waste Futures Strategy appears to have been set to ensure that the building of Smooth Hill is the only option. Councillors have been pushed into a corner.
12. The Green Island Landfill facility has recently had its consent renewed until 2060, but I do not believe it can be argued that the environmental performance of the Green Island Landfill is anything other than poor, and it will continue to be so into the future. From an environmental point of view, it is difficult to justify ongoing waste disposal at that site. It is simply not necessary and it should not be condoned.
13. There are very few landfills in NZ still operating under such poor environmental controls. Landfills such as the one operating at Green Island are fortunately mostly a thing of the past. The Invercargill City, Southland District, and Gore District Councils closed their poorly performing landfills in 2004. The DCC is

approximately 20 years behind their environmental performance strategies. Continued reliance on Green Island is environmentally irresponsible.

14. Most NZ Councils (City or District) that control waste volumes the size of the DCC are ensuring that their waste is going to a modern Class 1 synthetically lined landfill with high environmental controls. The reality is that this option is available to Dunedin City – through the utilisation of AB Lime.
15. It is understandable that the Council would want to continue filling at Green Island as other disposal options are currently more expensive. But that is because of the poor environmental performance of Green Island. According to the Council's modelling the Green Island gate price will be increasing substantially. Before long the balance will tip in favour of other options, such as AB Lime.
16. AB Lime already has a signed contract with the DCC for landfilling services, so costs are fairly well known. The DCC have used this contract for disposal of waste at AB Lime. AB Lime can help the DCC, and has helped (and is currently helping) with the landfilling of large portions of waste from both, private Dunedin waste collectors, and the DCC themselves.

Consent Issues – Smooth Hill Landfill Facility

17. I am an experienced Class 1 Landfill Manager. I have 16 years' experience running a fully synthetically lined Class 1 Landfill, with leachate and gas capture. Along the way we have learnt an enormous amount. Modern landfills are complex and ever evolving facilities. In 2019-2021 we went through a 3 year process to replace and renew the resource consents that we require to operate the facility. In light of that, I took a real interest in the outcome of the Resource Consent process for Smooth Hill.
18. After reading the Resource Consent that was granted for the Smooth Hill Landfill I was extremely surprised that the DCC did not appeal the conditions of the consent.
19. In my view the conditions will be extremely difficult to comply with, whilst effectively managing the Landfill to respond to the vagaries of the waste stream. Some of the conditions are almost prohibitive to successfully running the operation.

20. Based on my operational experience I do not think it will be feasible to operate in accordance with the existing consent conditions. So either, the consents will require amendment, or the costs of utilising the landfill will be astronomical placing a significant cost burden on Dunedin ratepayers.

Waste Minimisation

21. One of the assumptions with the construction of Smooth Hill is that the new facility will continue to receive similar tonnages to the existing Green Island facility.

22. This will not be the case for a number of reasons: -

- a. Increasing recycling and diversion away from landfill is the whole aim of NZ's waste minimisation strategies. It is one of the DCC strategies, and you have to assume that the DCC's waste minimisation strategies will, to some degree, be successful in reducing waste delivered to landfill;
- b. Cost will be a significant driver – as always. Once Smooth Hill opens, lower tonnages of demolition waste and cleanfill will be trucked there than currently to Green Island. This transition is likely to start occurring quite soon as the Green Island gate price increases. The reality is that once Green Island closes, there are closer and more cost-effective solutions for disposal of these waste streams. Other than highly contaminated demolition material, it does not normally require disposal at a Class 1 facility. So waste producers will favour closer facilities such as Logan Point Quarry owned by Blackhead Quarries, and the Burnside Landfill owned by Nash & Ross, amongst others. The only reason Green Island continues to be used is because of its poor environmental performance and therefore lower cost.
- c. The proposed gate prices drafted in the Plan, for both the Green Island and the Smooth Hill facility over the medium to long term, are high. These enable lower cost alternatives to enter the market. Given the financial analysis of the information provided in the 9-year plan, AB Lime will most certainly build a private transfer station in Dunedin and truck waste to Winton. Based on the information in the 9-year plan including the projected gate prices AB Lime would expect to do that in 2027/28.

- d. The reality is that the municipal kerbside collection waste stream accounts for only about 25% of waste in Dunedin. That is the only part of the waste stream that the Council controls, and can require be disposed of at Smooth Hill. Green Island currently has a cost advantage, therefore people also bring their waste to it. The price projections show that a cost advantage won't persist for too much longer, so waste volumes being sent to the DCC owned facilities will reduce as the rational actors throughout the sector switch to lower cost alternatives.
23. The exporting of waste to AB Lime in Winton offers a better operational framework for waste minimisation.
24. AB Lime would not impose any minimum tonnages for delivery to our landfill facility. This would ensure that the DCC could really concentrate on waste minimisation without being concerned that those measures will put Smooth Hill in a severe loss-making situation as landfill gate tonnages drop significantly.

Carbon Emissions

25. The Draft 9-year Plan documents discuss the high impact of the Emissions Trading Scheme obligations on the Smooth Hill facility once it opens because a gas capture system will not be installed.
26. It documents that this position will occur for approximately 3 years, and then capture levels will recover to be similar to that of the Green Island facility.
27. I believe this assumption is incorrect. It will be extremely difficult for the Smooth Hill operational staff to capture high portions of gas for much longer than 3 years, particularly given the resource consent conditions about the low level of putrescible content of waste that can be disposed of at Smooth Hill and the lower levels of waste that will be sent there as I explained above.
28. Basically, you need organics to produce landfill gas. Material disposed of at Smooth Hill can only be 10% putrescible in order to manage the risk of birds on Dunedin Airport. I am not actually sure how the DCC expects to control this, because 75% of the waste going to landfill is not kerbside collection, and is heavily reliant on the compliance of the general public to sort their waste. Also, if you include wastewater treatment sludge you may in fact already be at the 10% limit before you start taking any additional solid waste. If you could achieve the 10% (in my experience 10% is low), and as a result I would expect gas production

also to be low. If you couple that with lower than expected waste volumes, it will take longer for the landfill to start producing enough gas to be captured effectively.

29. In 2024, AB Lime captured 116% of our modelled landfill gas emissions. The reason for this is we are performing better with our gas generation, capture and destruction than default models suggest. Unfortunately, we can only claim a 90% capture and destruction rate in our Unique Emissions Factor under current Carbon Zero Regulations for Landfills. This limits the benefit that we can claim from our high performance.
30. Could this eventually occur at Smooth Hill facility? Yes, but the reality is that it took us over 20 years to get to these high levels of capture. In the early days of the landfill, capture was not easy. This is because the profile of a new landfill does not generally allow the installation of a robust and impermeable landfill cap (that prevents gas escaping), and gas well depths (used for gas extraction) are not large (because the waste is not very deep initially). Sucking too hard on the landfill to try and capture more gas earlier is operationally dangerous because you suck air (including oxygen) through the landfill cap and which mixes with the landfill gas and becomes explosive, creating a high risk of landfill fires. Sucking too hard also kills the methanogenic bacteria that is creating the landfill gas, and this causes you to experience gas quality problems.
31. The reality is that fugitive emissions (the gas escaping) are high, and it is hard to do anything about it in the early years. Therefore, emissions to the environment and general site odour levels tend to be higher.
32. Point 17 of the Waste Minimisation – Draft Operating Budget 9 Year Plan 2025-34 documents that 37,800 tonnes of carbon tax were paid (units surrendered) for the 2024/25 financial year, and it is projected that 29,700 tonnes will be paid in 2025/26.
33. To put these levels in perspective, if the DCC had started bringing their Green Island waste to AB Lime on 1 July 2024, this carbon tax payment would have been 5,292 tonnes for 2024/25 and 5,631 tonnes for 2025/26 because of our higher landfill gas production and capture performance.
34. The DCC have declared a climate change emergency and appear focussed on carbon reduction. Given this, we could have delivered a 56,577 tonne reduction in the DCC's carbon emissions over two years, or a 28,288 tonne reduction per annum. It seems like that would be a very attractive option in light of the Climate

Change emergency that has been declared by the Council and its commitment to Carbon Zero 2030. Abandoning Smooth Hill in favour of AB Lime would be the single biggest decision the Council could make towards reducing its Carbon Emissions.

35. Point 32 of the Waste Minimisation – Draft Operating Budget 9 Year Plan 2025-34 discusses the Changes to Fees and Charges for the Waste Minimisation Group. It estimates the Carbon Unit cost increasing from \$65.00/tonne to \$79.00/tonne. The carbon price is always hard to project, however current secondary markets are selling carbon at \$51.00 per tonne (as at 16 April 2025). The DCC could forward contract carbon at this price (plus interest), so I do not believe \$79.00 is a fair estimate. This has subsequently flowed through as a justification on the landfill gate price increase for the 2025/26 year. So I believe that the budgeted gate price increases proposed are not currently fair for users of the DCC landfill.
36. AB Lime are not changing our landfill gate price to allow for a change in carbon price in the 2025/26 year. We do not believe it would be justified.
37. The carbon emissions associated with the transport of waste to AB Lime is often held up as a reason not to export waste. The reality is that the transport emissions component is small compared to the difference in gas capture. Based on the projected volumes (which I consider to be too high) there would be 6 trucks a day required to transport waste to AB Lime. Those trucks would produce ~400 tonnes of carbon per annum, a small proportion of the gas which will escape gas capture from Smooth Hill in the first year. Based on my calculations it would be possible to transport waste to AB Lime for approximately 60 years before the transport emissions would outweigh the difference in gas capture performance between AB Lime and Smooth Hill in just year 1 alone.
38. Further to that, there are viable options available to reduce transport emissions including dual fuel trucks (which produce 50% fewer emissions), hydrogen trucks or fully electric vehicles. All transports that AB Lime have spoken to, would be more than open to discussion about utilising those technologies and there are existing transport operators that already have them available.

Financial Implications

39. I do not agree that the construction of the Smooth Hill landfill can result in a better financial outcome compared to that of exporting the waste to the AB Lime Landfill.

40. There have been a number of crucial financial assumptions that have been determined in the financial modelling undertaken by the Council Staff, resulting in an answer that makes building the Smooth Hill Landfill look attractive.
41. Firstly, the tonnage delivered to the Smooth Hill landfill is assumed to remain the same as Green Island. I have discussed earlier why this assumption is unlikely to materialise. That alone severely compromises the economic modelling.
42. Secondly, in my opinion, the landfill gas capture rates projected are unachievable and the higher cost (associated with carbon tax) will exist for a lot longer than the financial modelling currently suggests.
43. Thirdly, the gate prices that have been built into the financial model for Smooth Hill will not be realised. Having the AB Lime Landfill only 150km down the road, is either a benefit or a curse, depending on the way you look at it. The AB Lime Landfill gate price (or any other alternative disposal method) puts a gate price cap on both Green Island and the Smooth Hill facilities. As soon as landfill waste is cheaper to truck to AB Lime in Winton than to take it to Green Island or Smooth Hill, it will be. Private transfer stations will appear, and the DCC will have limited control of that (other than the 25% of the waste stream it can control via kerbside collection). At some point ratepayers will become intolerant of paying more for their kerbside collection too.
44. The DCC controls kerbside collection waste, but I do not think that they really control any other private ratepayer or business waste streams.
45. I have prepared a basic financial model, based on the summarised information provided in the 9-year Plan, which shows that if my assumptions are correct with lower cleanfill, construction and demolition tonnages, lower gas capture, and lower gate prices for the DCC landfill strategy, there is an increased financial benefit of exporting waste to AB Lime instead of either Green Island or Smooth Hill from the 2027/28 financial year. Once Smooth Hill opens, I am calculating approximately a \$13million per annum advantage for exporting waste when compared to Smooth Hill. That is not an insignificant amount of money when the Council's budget is so pressured, and rates increases are so high.

Resilience and retaining control

46. One of the reasons for preferring a Dunedin based landfill facility is concern about resilience during natural hazard events and 'commercial' risks associated with no longer owning the landfill facility.
47. I actually believe the reverse will be true. If Smooth Hill is built and the prices are set as per the 9-Year Plan, the DCC will actually lose control of the waste stream. Private systems (such as Transfer Stations) will be put in place and a lot of the waste will be shipped to other disposal facilities.
48. As I mentioned above, AB Lime already provides landfilling services to WasteNet – which is the shared solid waste service for Invercargill City, Southland and Gore Districts. That arrangement commenced in 2004. At that time there was a high degree of concern from the Councils about the risks of not controlling the landfill facility itself.
49. One of the key concerns was regarding cost certainty. That was easily addressed through long term contracts. Those contracts are good to AB Lime too because it provides us certainty about likely waste streams to prepare the management and development of the landfill accordingly.
50. We also work very closely with WasteNet on their waste minimisation strategies. We have monthly partnering meetings to discuss new initiatives, efficiencies and improvements. It is a highly collaborative relationship that we view as highly beneficial for all parties.
51. We work closely with WasteNet, and Recycle South to support proper recycling practises, and ensuring that Southland waste generators know the most appropriate place for their green waste, recycling, and landfill solid waste.
52. With respect to resilience, we have been able to easily respond to various events such as disaster cleanups (e.g. floods, etc.), biosecurity events (e.g. M-Bovis, Bonamia, and most recently the HPAI outbreak, etc), ramping up and down as necessary, changing our landfill opening hours, putting on additional staff in response to these events.
53. The benefit we have as a fully operating quarry, is that we have a lot of quarry equipment and additional staff that can pitch in with landfill work when required.

54. We receive waste from old historic landfills, and are currently receiving waste from two at the same time. This type of activity is actually very “business as usual” for us, and we have very defined and carefully planned processes for unusual and emergency waste situations.
55. We are also versed in managing delivery interruptions. If, for example transport routes between AB Lime and Dunedin were interrupted for a few days, the volume of waste is manageable in bins and at transfer stations and any back log of waste is easily made up by running extra vehicles for a couple of days. The ability to manage this gets easier and easier as waste minimisation initiatives improve too. We have seen a similar approach being taken for delivery of municipal waste from other Districts.
56. The reality is that there are advantages and disadvantages either way, and in either case the risks need to be managed with contingency plans.

Summary

57. I understand Councillors are in a hard position having to read, digest and make decisions on a large body of work, that is the 9-year plan. It is hard to review everything in detail. But I do want you to have another look and critically consider the information you have been provided by Council staff with respect to the Waste Strategies in this 9-year plan. In this instance I believe they have got it wrong.
58. Council staff are suggesting in the 9-year Plan that you spend \$92 million in building the Smooth Hill facility. That is a lot of money. I am sure the DCC could find other, more pressing, less risky uses for this money.
59. I am sure there is also plenty that the ~\$13 Million per annum in savings by choosing the exporting of waste could be spent on.
60. I am honestly, with good intent, trying to make a case for a detailed review of the information that has been included in the plan. I do not believe that it is accurate.
61. I obviously am not a DCC decision maker on whether to build Smooth Hill or not, but I also do not want the DCC to make a horrendous financial mistake by not testing in detail the assumptions made and all options for waste disposal, the wider operating environment of waste, and other players that are in and watching the waste market in Dunedin.

62. Please go into discussions on the Smooth Hill project with your eyes wide open. Given the significant challenges that this Council (along with many others) face in delivering core functions in a way that the community can afford, I implore pragmatism to overcome ideology.

63. A decision not to build Smooth Hill will:

- a. Save the Council a significant amount of money which can be redirected towards other more pressing core functions;
- b. Achieve better alignment between the Council's waste minimisation goals and financial imperatives with respect to the same;
- c. Halt further contributions to environmental degradation occurring as a result of the Green Island Landfill and draw a line under the obsolete operation of a facility of that age; and
- d. Achieve a significant reduction in Carbon Emissions consistent with the declaration of the Climate Emergency and Carbon Zero 2030 Plan.