

SMOOTH HILL UPDATE

Department: Civic

EXECUTIVE SUMMARY

- 1 At a meeting on 25 November 2024, Council considered a report in non-public, that provided three options for the future of Smooth Hill. A redacted copy of that report is at Attachment A.
- 2 The Council has considered various options for the disposal of residual waste, including the following three options:
 - a) Build a landfill at Smooth Hill alone.
 - b) Build a landfill at Smooth Hill in a 50:50 partnership with a private waste company.
 - c) Export Dunedin's municipal waste out of district.
- 3 Following consideration of the options, Council resolved to build a landfill at Smooth Hill rather than exporting all of its residual waste out of district, and resolved that it would be built alone, rather than in partnership with a private waste company.
- 4 This report advises of the decision that was made in a non-public Council meeting and provides for the inclusion of the in-principle decision to build Smooth Hill in the 9 year plan 2025-34, for consultation purposes.

RECOMMENDATIONS

That the Council:

- a) **Notes** this Smooth Hill Update Report.

BACKGROUND

- 5 While Council is actively committed to achieving its waste reduction and diversion targets, it is recognised that there is some waste which cannot currently be diverted through reuse, recycling, or re-purposing.
- 6 At its meeting on 25 November 2024, Council considered options for the disposal of residual municipal waste. It resolved, in non-public, the following:

Moved (Cr Jim O'Malley/Cr Bill Acklin):

That the Council:

- a) **Decides** in principle for inclusion in the draft 9 Year Plan 2025-34, that it would prefer to:
 - i) Build a landfill at Smooth Hill, rather than export waste out of district; and
 - ii) Build a landfill at Smooth Hill alone, rather than in a partnership with a private waste company.
- b) **Notes** that this decision is subject to consultation through the 9 Year Plan 2025-34 as the funding will be included in the draft 9 Year Plan 2025-34 budget.

Division

The Council voted by division

For: Crs Bill Acklin, Sophie Barker, David Benson-Pope, Kevin Gilbert, Carmen Houlahan, Marie Laufiso, Cherry Lucas, Mandy Mayhem, Jim O'Malley, Steve Walker and Brent Weatherall (11).

Against: Crs Lee Vandervis and Andrew Whiley (2).

Abstained: Nil

The division was declared CARRIED by 11 votes to 2

Motion carried (CNL/2024/001)

DISCUSSION

- 7 The Council has considered various options for the disposal of residual municipal waste, including the following three options:
 - a) Build a landfill at Smooth Hill alone.
 - b) Build a landfill at Smooth Hill in a 50:50 partnership with a private waste company.
 - c) Export Dunedin's municipal waste out of district.
- 8 Council supported building a landfill at Smooth Hill for many reasons including that it creates resilience for the City, it provides long term certainty, is strongly supported by mana whenua, aligns with Council's Zero Carbon Policy, and it has obtained the resource consents needed to undertake the project.
- 9 Building the landfill alone allows Council to focus on its waste minimisation goals, but also means that it can dispose of its own waste without needing to share half of the profit with a facility partner. Council considered that financially, this is the best long-term option for the city.
- 10 The option of exporting waste has been calculated to be more expensive than building Smooth Hill, and this option is not supported by mana whenua.
- 11 Council has applied for resource consents for the continued use of the landfill operations at Green Island Landfill. The application process is still underway, but Council has the right to

continue landfilling operations at Green Island until the replacement consents have been decided and any appeals resolved. If resource consents are granted, Council could extend the life of the Green Island Landfill to sometime between 2029 – 2031, depending on the volume of waste brought to that landfill.

- 12 Construction of the Smooth Hill landfill is not expected to start until the 2027/28 year, with projected completion in 2029/30.
- 13 The 9 year plan draft capital budget includes \$92.4 million for the construction of the Smooth Hill Landfill.
- 14 The operating costs associated with Smooth Hill are discussed in the Waste Minimisation – Draft Operating Budget 2025/26 report on the agenda.

OPTIONS

- 15 There are no options, as these were considered at the meeting of 25 November 2024.

NEXT STEPS

- 16 The in-principle decision to build a landfill at Smooth Hill alone, is subject to consultation and will be included in the 9 year plan consultation document.

Signatories

Author:	Sharon Bodeker - Special Projects Manager
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
A	Waste Futures - Commercial Matters Report (Redacted) - 25 November 2024	

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities. This decision promotes the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Future Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

The Waste Futures Project contributes to the Environment Strategy by enabling a robust evaluation of potential options for Council to continue to ensure effective reduction and management of solid waste to achieve the goals set out in its WMMP, and its Carbon Zero Policy.

Māori Impact Statement

Mana whenua have been identified as a stakeholder in the Waste Futures project and have been engaged during the Better Business Case options development phase, and the resource consenting processes for both the Smooth Hill Landfill and the Green Island Landfill. Mana whenua do not support the export of waste out of district. This has been stated as being unacceptable to mana whenua (as per Mr Ellison's evidence to the Smooth Hill Hearing on behalf of Te Rūnanga o Ōtākou).

Sustainability

The Council's overall objective for the Waste Futures project is to ensure effective reduction and management of solid waste to achieve the goals set out in Council's WMMP. Council's new kerbside collection service and Resource Recovery Park have been designed to assist in meeting Council's waste minimisation goals. Having a sufficient level of tonnage to provide revenue that funds the construction and operation costs of a landfill is not necessarily inconsistent with Council's waste minimisation goals. For example, Council could focus on reducing current waste streams, but seek to broaden its catchment area.

Zero carbon

The best options for meeting zero carbon aspirations, and alignment with the Council's Zero Carbon Policy have been a key consideration when assessing and deciding on the options for Smooth Hill.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

The decision made at the meeting on 25 November 2024 is being included in the draft 9 year plan, and will be consulted on.

Financial considerations

The financial considerations are discussed in this report.

SUMMARY OF CONSIDERATIONS

Significance

The 9 Year Plan 2025-34 process is being formally consulted on using the special consultative process.

Engagement – external

Smooth Hill has been discussed widely for many years. The previous 10 year Plan consultation document included commentary on Smooth Hill. The resource consent process for Smooth Hill was a fully notified public process. There has also been a community liaison group established as part of the consent process and that group has been formed and is meeting.

The Chair of the Saddle Hill Community Board and the Smooth Hill Liaison group have been advised of the decision.

Engagement - internal

There has been extensive internal engagement for the Waste Futures project, including Waste and Environmental Solutions, Legal Services, Finance, Transport, 3 Waters, Communications and Marketing.

Risks: Legal / Health and Safety etc.

Legal advice has been undertaken on the various components of the Waste Futures Project to ensure statutory compliance and minimisation of legal risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Both the current landfill site at Green Island and proposed landfill site at Smooth Hill are of particular interest to the Saddle Hill and Mosgiel Taieri Community Boards. There have been periodic updates to these Community Boards and, as part of the 9 Year Plan 2025-34 consultation process, they will have the opportunity to make a submission to Council on decisions contemplated in this report. The Chair of the Saddle Hill Community Board is also the current Chair of the Community liaison group formed as part of the consent process.

WASTE FUTURES - COMMERCIAL MATTERS

Department: Waste and Environmental Solutions and Legal Services

REASONS FOR CONFIDENTIALITY

Grounds:	S48(1)(a) - The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Reason:	<p>S7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p> <p>S7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>S7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>

EXECUTIVE SUMMARY

- 1 Council has been progressing the development of a landfill at Smooth Hill for a number of years. The process is now at a point where Council needs to determine if it wishes to proceed with building Smooth Hill Landfill and, if so, whether it wants to build Smooth Hill alone or in a facility partnership.
- 2 This report was presented to Council on 30 October 2024, but additional information has been added into this report in response to questions raised by Council.
- 3 This report details a variety of factors including financial risks and cost, resilience, waste minimisation, export, and ownership options.
- 4 There are three shortlisted options for Council:
 - a) Build a landfill at Smooth Hill alone.
 - b) Build a landfill at Smooth Hill in a 50:50 partnership with a private waste company.
 - c) Export Dunedin's municipal waste out of district.
- 5 Based on all the factors outlined in this report, staff recommend that Council build Smooth Hill Landfill alone.
- 6 This report:

- a) Discusses various factors and the shortlisted options, analyses them and provides advice for Council to consider.
- b) Seeks an “in principle” decision from Council on:
 - i) Whether it would prefer to build a landfill at Smooth Hill or export waste out of district; and
 - ii) If Council wants to build a landfill at Smooth Hill, whether it would prefer to do so alone or in a partnership with a private waste company.
- 7 The decision is an “in principle” decision as it will be subject to consultation through the next Long Term Plan, being the 9 Year Plan 2025-34 (9 Year Plan).
- 8 Council is now able to make this decision because:
 - a) The resource consents for Smooth Hill have been granted, and all conditions are known;
 - b) Council has prices for the export of waste out of district; and
 - c) It has recent cost estimates for the Smooth Hill Landfill.
- 9 Morrison Low has completed a detailed business case, and a comparison of the following three short-listed options:
 - a) Option 1 – Council to build a landfill at Smooth Hill alone;
 - b) Option 8 – Council to build a landfill at Smooth Hill in a 50:50 partnership with a private waste company; and
 - c) Option 12 – Council to export waste out of district.
- 10 For a variety of reasons, Option 12 is not seen by Council staff as a feasible long-term solution for the Council’s waste needs. However, it is included in the options assessment for completeness.
- 11 There are many factors that Council will need to consider when assessing the options, including the financial modelling, resilience for the City, Council’s waste minimisation goals and its Zero Carbon Policy.
- 12 The financial modelling is based over a 20-year period. This is an industry standard as modelling becomes unreliable after this period.
- 13 The Smooth Hill Landfill is expected to last 40 years if annual tonnage of waste remains at current levels (approximately 60,000 tonnes per annum). The Smooth Hill Landfill would last more than 70 years if tonnage reduced to 35,000 tonnes per annum (which is approximately the current volume of waste, *excluding* waste from commercial operators).
- 14 The financial modelling largely depends on:
 - a) The likely construction costs of Smooth Hill Landfill (noting that \$92.4 million has been allocated in the draft budgets for consideration by Council as part of the 9 Year Plan process); and

- b) The annual tonnage of waste. This is because, from a purely financial perspective, there needs to be a sufficient level of annual waste to generate revenue to offset the initial capital costs of building a landfill and to cover operating costs.
- 15 Having a sufficient level of tonnage to provide revenue that funds the construction and operation costs of a landfill is not necessarily inconsistent with Council's waste minimisation goals. [REDACTED]
- 16 The financial modelling shows that Option 1 (Council build Smooth Hill alone) provides the best financial position for Council provided the annual waste tonnage to the Smooth Hill Landfill remains the same or similar to the annual waste tonnage through Green Island Landfill. This is because, although Council would pay the full construction costs, it would retain all gate revenue.
- 17 Based on cost and risk, Morrison Low recommends Option 8 (Council building Smooth Hill in partnership with a private waste company). This is because Option 8 reduces the risk of there being insufficient gate revenue to offset the construction and operation costs of the Smooth Hill Landfill. However, Morrison Low notes that:
- While the facility partnership (Option 8) balances cost and financial risk, recent contract negotiations between councils and the private waste sector have highlighted the deficiencies in contractual arrangements (both standard and bespoke contracts) to protect councils from financial risk in the way the councils anticipated when the contracts were signed. Therefore the difference between DCC alone (Option 1) and the facility partnership (Option 8) is highly dependent on the commercial model and associated contracts that can be negotiated with the private waste sector. Overall, the difference between these options is small.
- 18 Morrison Low has also verbally advised that, given the industry at present, they see the decision between Council building Smooth Hill Landfill alone versus Council building Smooth Hill Landfill in partnership as being finely balanced.
- 19 Council staff recommend that Council builds Smooth Hill Landfill. This is for a variety of reasons, including:
- a) Construction of a landfill at Smooth Hill:
- i) Creates resilience for the City, including in natural disasters.
 - ii) Provides long-term certainty.
 - iii) Is strongly supported by mana whenua.
 - iv) Aligns with Council's Carbon Zero Policy and minimises risks around fuel price increases, as compared to the export option.
 - v) Has economic benefits to Dunedin.
- b) Council has resource consents for Smooth Hill Landfill, which means that obtaining resource consents is no longer a project risk.

- c) The option of exporting waste is calculated to be more expensive than building Smooth Hill either alone or in partnership, even if Council were to receive no commercial tonnage at Smooth Hill.
- 20 Council staff recommend that Council builds Smooth Hill Landfill alone rather than in partnership. This is for a variety of reasons, including:
- a) Building Smooth Hill Landfill alone provides Council with the greatest autonomy and allows it to focus on its waste minimisation goals.
- b) There is strategic value in having ownership control.
- c) Building Smooth Hill landfill alone is the best option financially based on a Net Present Value (NPV) comparison over 20 years. However, this relies on the annual waste tonnage to the Smooth Hill Landfill remaining the same or similar to current tonnages to the Green Island Landfill. [REDACTED]
- d) Building Smooth Hill Landfill alone allows Council to dispose of its own waste (such as from the kerbside collection and Kettle Park), without needing to share half of the profit, after operating and capital expenses, with its facility partner.
- 21 The key risks of building the Smooth Hill Landfill alone rather than in partnership would be:
- a) The potential loss of commercial tonnage [REDACTED]
- b) The potential for significant capital cost increases in building Smooth Hill Landfill. [REDACTED]
- 22 It is for Council to balance these risks against the potential benefits when assessing the options.

RECOMMENDATIONS

That the Council:

- a) Decides in principle for inclusion in the draft 9 Year Plan 2025-34, that it would prefer to:
- i) Build a landfill at Smooth Hill, rather than export waste out of district; and
- ii) Build a landfill at Smooth Hill alone, rather than in a partnership with a private waste company.
- b) Notes that this decision is subject to consultation through the 9 Year Plan 2025-34 as the funding will be included in the draft 9 Year Plan 2025-34 budget.

BACKGROUND

Waste Futures Project Objectives

- 23 In 2018, Council established the Waste Futures project. Council's overall objective of this project is:

To ensure effective reduction and management of solid waste to achieve the goals set out in its Waste Management and Minimisation Plan. Specifically, to identify and procure the best solid waste solution for Dunedin City to enable us to move towards a zero-waste future and a circular economy.

- 24 The Waste Futures project has a strong focus on the minimisation of waste, the minimisation of carbon dioxide emissions from waste, cost effectiveness of services to ratepayers, the reduction of environmental impacts because of waste operations and the provision of refuse collection and kerbside recycling services that meet ratepayer expectations.

Need for Disposal of Residual Waste

- 25 As shown in the diagram below, while Council is actively committed to achieving its waste reduction and diversion targets, it is recognised that there is some waste which cannot currently be diverted through reuse, recycling, or re-purposing.



History

- 26 The Waste Futures project is following the Better Business Case model, which is the model developed by New Zealand Treasury and Waka Kotahi NZ Transport Agency for projects of this nature.
- 27 The aim of the Better Business Case process is to ensure a robust rationale for investment.
- 28 Morrison Low, in partnership with GHD and Boffa Miskell, prepared two detailed business cases in 2019. These were:
- Detailed Business Case One (DBC1) which related to Council's waste collection system.

- b) Detailed Business Case Two (DBC2) which covered the wider waste system, including the diversion and disposal facilities needed to support the collection system and how the facilities could be provided.

29 Since 2019:


- a) **Waste Minimisation and Management Plan (WMMP):** In 2020, Council adopted a WMMP, attached as Attachment A. The WMMP is currently being reviewed and the draft WMMP 2025 will be consulted on as part of the 9 Year Plan. The targets that the draft WMMP 2025 aims to achieve are:
 - i) Target 1: Waste generation: Reduce the amount of material entering the waste management system, by 10% per person by 2030.
 - ii) Target 2: Waste disposal: Reduce the amount of material that needs final disposal, by 30% per person by 2030.
 - iii) Target 3: Waste emissions: reduce the biogenic methane emissions from waste, by at least 30%.

These targets complement Te Rautaki Para – New Zealand’s Waste Strategy. They aim to reduce the quantity of waste being generated, being sent to landfill, and greenhouse gas emissions from waste.

Note: Having a sufficient level of tonnage to provide revenue that funds the construction and operation costs of a landfill is not necessarily inconsistent with Council’s waste minimisation goals. For example, Council could focus on reducing current waste streams, but seek to broaden its catchment area.

- b) **Long Term Plan 2021-31:**
 - i) Kerbside Collection Service: On 31 May 2021, Council resolved to adopt a new kerbside collection service for inclusion in the 2021-31 10-Year Plan.
 - ii) Smooth Hill Landfill: Council included \$56 million to develop a new landfill at Smooth Hill. This was specifically referred to in the consultation document for the Long-Term Plan 2021-31.
 - iii) Resource Recovery Park (RRP): Council included \$22 million for the development of a RRP consisting of new waste diversion and transfer facilities, to be constructed at the Green Island Landfill site.
- c) **Kerbside Collection Service:** The new kerbside collection service began on 1 July 2024, and is being implemented through a contract with Enviro NZ. Under that contract, Enviro NZ is required to take the waste collected from red wheelie bins to a location directed by Council (which may be the Green Island Landfill, the Smooth Hill Landfill or Council’s proposed bulk transfer station at the RRP).
- d) **Smooth Hill Landfill Consents:** Resource consents for a class one landfill at Smooth Hill have been granted. This is discussed in more detail later in this report.
- e) **Green Island Landfill Consents:** Resource consents for the Green Island Landfill were due to expire in October 2023. However, Council applied for resource consents for continued

landfilling operations at Green Island Landfill on 16 March 2023, and Council will have the right to continue landfilling operations at Green Island Landfill until the replacement consents have been decided and any appeals resolved. The application process is still underway. If replacement consents are granted, Council could extend the life of Green Island Landfill to sometime between 2029-2031. This will depend on the volume of waste brought to the Green Island Landfill.

- f) 
- g) **RRP:** The draft budget to be considered by Council as part of the 9 Year Plan process currently has approximately \$52 million allocated for the RRP (which does not include the \$21.2 million allocated in the 24/25 budget). Staff are working through the design, consenting and procurement required for the RRP. The Organic Waste Reveal Building was completed on 17 June 2024. The consents required for the rest of the RRP were notified to affected parties on 5 August 2024. If consents are granted, then it is expected that the RRP will be developed during 2024/25-2025/26, including:
- i) A new composting operation, using the material consolidated and shredded in the Organic Waste Reveal Building.
 - ii) A material recovery facility for mixed recyclables.
 - iii) A construction and demolition recovery facility for construction and demolition waste.
 - iv) A bulk waste transfer station for depositing general waste, prior to transfer to the landfill tip face at Green Island (current) or alternative landfill (future).

Updated Morrison Low Reports

- 30 Morrison Low has prepared:
- a) An updated DBC2 (February 2023), attached as Attachment B;
 - b) A comparison of disposal costs (September 2024), attached as Attachment C; and
 - c) Questions and Answers (November 2024), attached as Attachment D.
- 31 For the purposes of this report to Council, the reports referred to in the above paragraph are called the Morrison Low Reports.
- 32 The Morrison Low document called "Questions and Answers" (Attachment D) has been updated to include information in response to questions raised at the Council meeting on 30 October 2024. These questions and answers are discussed later in this report.

Previous Council resolutions

- 33 Most of this report was presented to Council on 30 October 2024. Council resolved to note the report as last month's meeting to allow further time for Council to consider the report and so that further information could be added in response to questions raised by Council.
- 34 There have been regular updates regarding the Waste Futures project, mainly through the Infrastructure Services Committee. The most recent update to Council's Infrastructure Services Committee was on 19 August 2024.
- 35 At Council's meeting on 5 August 2020, in the confidential part of the agenda, Council resolved among other things to ask staff to further investigate the financial implications of exporting waste out of district and report back to Council. A copy of the resolution is attached as Attachment E.
- 36 This report responds to Council's request for staff to further investigate the financial implications of exporting waste out of district. This report has been held until now so that Council can be provided with the most current and complete information following the grant of resource consents for Smooth Hill Landfill, updated cost estimates for Smooth Hill Landfill [REDACTED]

DISCUSSION

Structure of this Report

- 37 This part of the report is structured as follows:
- a) An overview of the resource consents that have been granted for Smooth Hill Landfill.
 - b) [REDACTED]
 - c) A summary of the Morrison Low Reports, including Morrison Low's recommendations.
 - d) A discussion of the Morrison Low Reports, including staff's recommendations.
 - e) Council's consultation requirements.

An overview of the resource consents that have been granted for Smooth Hill Landfill

- 38 In August 2020, Council applied for resource consents for the development of a landfill at Smooth Hill, together with consents for associated roading upgrades.
- 39 Following public notification, and submissions from the community and stakeholders, the applications were heard by an independent hearings panel in May 2022.
- 40 A decision granting the consents was issued on 9 September 2022. The consents were subject to one appeal to the Environment Court, which was successfully resolved during mediation on 18 and 19 April 2023. The Environment Court approved the consents on 8 May 2023.
- 41 The consents held to construct and operate the landfill at Smooth Hill are:

- a) A land use consent;
 - b) Two water permit consents;
 - c) Two discharge consents; and
 - d) A designation.
- 42 The consents for construction and operation of the Smooth Hill landfill have been granted subject to a range of conditions, including those set out in the paragraphs below.
- 43 A Community Liaison Group (CLG) must be established to facilitate ongoing engagement between the consent holder and the community on the design, construction and operation of the landfill.
- 44 An Independent Peer Review Panel (IPRP) must also be established to review design, construction, operation, and closure of the landfill.
- 45 The CLG and IPRP have both been established. There have been 2 meetings with the CLG. In due course, the IPRP will need to review the detailed design of the landfill and relevant management plan.
- 46 Three years of baseline groundwater, surface water, and freshwater ecology monitoring must be completed prior to construction. This monitoring will inform various management plans including the overall Landfill Management Plan that must be developed in consultation with the CLG and Te Rūnanga o Ōtākou.
- 47 A suite of conditions have been included to monitor and manage Southern Black Backed Gulls (SBBG) including: the preparation of a SBBG Management Plan within six months of the granting of consent (completed), monthly baseline bird monitoring to establish a baseline estimate of any bird-related risks around Dunedin Airport, completion of a full bird strike risk assessment at least six months prior to construction of the landfill, and preparation of a Landfill Operational Bird Management Plan.
- 48 DCC must provide a bond (to be maintained in favour of ORC for a minimum of 25 years following closure of the landfill site) to secure compliance with conditions and completion of rehabilitation and closure in accordance with the Landfill Management Plan. The bond is assessed and established prior to deposit of any waste.
- 49 The landfill must be designed and constructed with a landfill liner to isolate landfill leachate, a leachate collection system, and leachate storage and management facilities to store leachate prior to removal from the landfill site.
- 50 A full detailed design report must be submitted to the IPRP and to the ORC for certification prior to construction.
- 51 During operation of the landfill, the conditions of consent:
- a) Impose limits on the site operating hours;
 - b) Establish waste acceptance criteria (including the requirement that to the extent practicable, putrescible waste be removed prior to placement of waste at Smooth Hill); and

- c) Require covering of highly odorous waste within 30 minutes of placement at the landfill.

- 52 The operation of the landfill will also be subject to a number of requirements related to landfill fire prevention and detection - including that a person trained in landfill fire detection supervises the active landfilling area at all times during operating hours. DCC also has an obligation, resolved through mediation, to contribute to the cost of fire suppression systems for residents of properties in the immediate vicinity of the landfill.
- 53 Given that the resource consents require three years of baseline environmental monitoring (which started in April 2023), construction of the Smooth Hill Landfill is not expected to start until the 2026-27 year, with projected completion in 2029.

- [REDACTED]
- 54 [REDACTED]
[REDACTED]
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| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |

[illegible]

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[REDACTED]
[REDACTED]
[REDACTED]

63

A summary of the Morrison Low Reports, including Morrison Low's Recommendations

Morrison Low

- 64 Morrison Low is a management consulting firm that provides consultancy services to
government, local government, and the wider public sector.
- 65 The Morrison Low reports have been prepared by civil engineers who specialise in waste
management, with assistance from an accountant within Morrison Low.

Process

- 66 As part of the Detailed Business Case process, Morrison Low undertook a longlist assessment process. The longlist had 12 options for the wider waste system:
- a) Option 1- Council alone
 - b) Option 2- Shared service with Clutha District Council or Waitaki District Council
 - c) Option 3 – Regional shared service: disposal and diversion facilities
 - d) Option 4 – Regional shared service: all facilities and services
 - e) Option 5 – Regional waste CCO
 - f) Option 6 – Regional partnership between councils and private waste company
 - g) Option 7 – Regional partnership between councils and multiple private waste companies

- h) Option 8 – Council in partnership with private waste company: disposal only
 - i) Option 9 – Council in partnership with private waste company: disposal and diversion facilities
 - j) Option 10 – Council in partnership with private funder
 - k) Option 11: Council in partnership with private waste company and private funder
 - l) Option 12 – No Council involvement – private sector only
- 67 Based on the longlist assessment and Council's earlier request for information on the financial implications of exporting waste out of district, a shortlist was selected as follows:
- a) Option 1 – Council to build a landfill at Smooth Hill alone;
 - b) Option 8 – Council to build a landfill at Smooth Hill in a 50:50 partnership with a private waste company; and
 - c) Option 12 – Council to export waste out of district.
- 68 Morrison Low has completed financial modelling for each of the shortlisted options. The financial modelling is based over a 20-year period. This is an industry standard as modelling becomes unreliable after this period.
- 69 Morrison Low has compared the shortlisted options on a total cost of disposal basis (i.e., consolidation, bulk haulage and disposal costs, and excluding waste levy and ETS costs that are the same for all modelled options).
- 70 Bulk haulage costs have been modelled based on:
- a) [REDACTED]
 - b) [REDACTED]

Assumptions

- 71 In completing its financial modelling, Morrison Low has needed to make numerous assumptions, including the following:

a) [REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

- [REDACTED]
[REDACTED]
- b) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- c) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- d) [REDACTED]
- i) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- e) [REDACTED]
i) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- f) [REDACTED]
[REDACTED]
- 72 [REDACTED]

Waste [REDACTED] [REDACTED]

Category	Sub-category	Item 1	Item 2
Category A	Sub-category A1	Item A1.1	Item A1.2
	Sub-category A2	Item A2.1	Item A2.2
	Sub-category A3	Item A3.1	Item A3.2
	Sub-category A4	Item A4.1	Item A4.2
Category B	Sub-category B1	Item B1.1	Item B1.2
	Sub-category B2	Item B2.1	Item B2.2
	Sub-category B3	Item B3.1	Item B3.2
	Sub-category B4	Item B4.1	Item B4.2
Category C	Sub-category C1	Item C1.1	Item C1.2
	Sub-category C2	Item C2.1	Item C2.2
	Sub-category C3	Item C3.1	Item C3.2
	Sub-category C4	Item C4.1	Item C4.2
Category D	Sub-category D1	Item D1.1	Item D1.2
	Sub-category D2	Item D2.1	Item D2.2
	Sub-category D3	Item D3.1	Item D3.2
	Sub-category D4	Item D4.1	Item D4.2

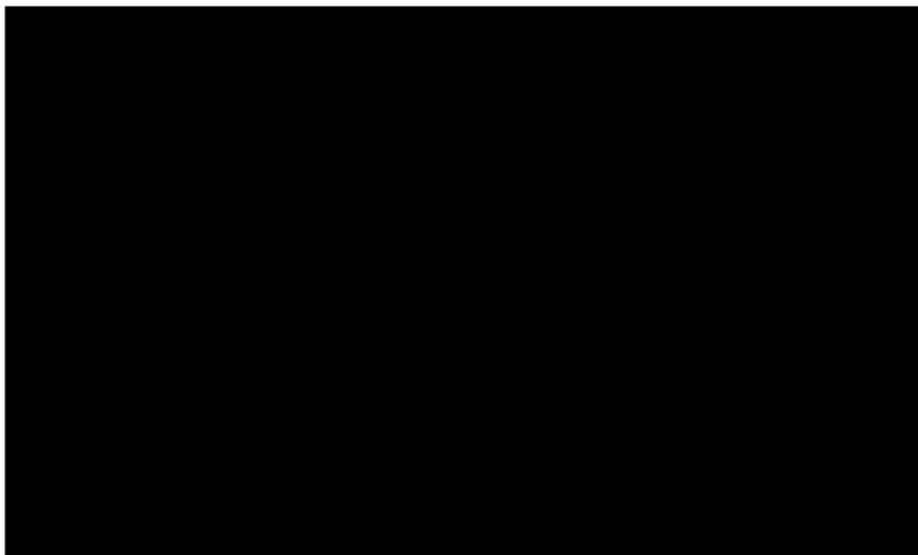
73

a)

b)

c)

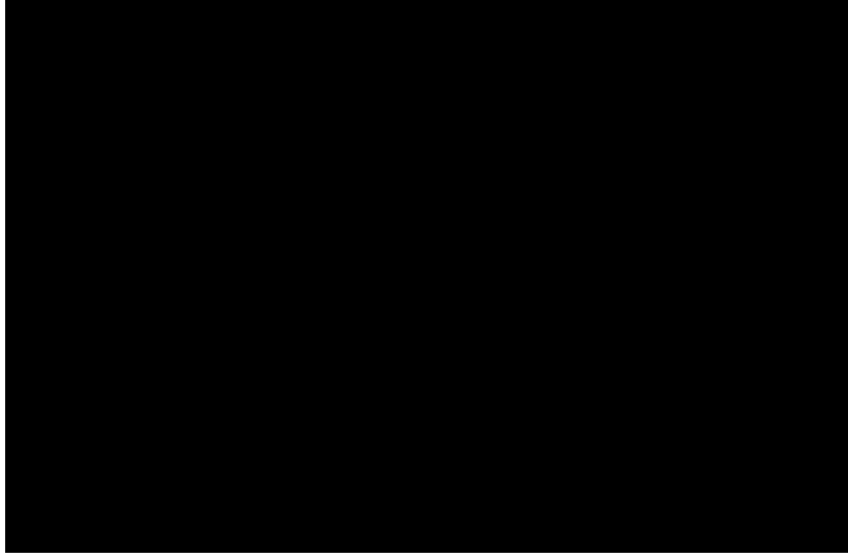
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78 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

79 [REDACTED]
[REDACTED]

- [REDACTED]
- [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]
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80 [REDACTED]
■ [REDACTED]
■ [REDACTED]
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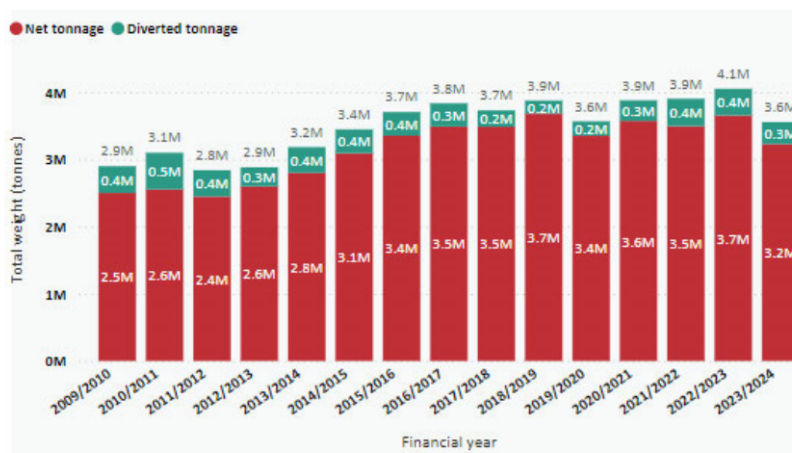
81 [REDACTED]
[REDACTED]
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- [REDACTED]
- [REDACTED]
- 82 [REDACTED]
- [REDACTED]
- [REDACTED]
- 83 [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Information added to Morrison Low's "Questions and Answers" document

- 84 After the Council meeting on 30 October 2024, staff asked Morrison Low to update their "Questions and Answers" document (Attachment D) to include answers to the following questions:
- a) Where are the major landfills in NZ (as shown on a map)?
 - b) Will there be an ongoing need for landfills in NZ?
 - c) What are the catchment areas for the major landfills (as shown on a map)?
 - d) How are other landfills owned in NZ?
 - e) [REDACTED]
 - f) What would be the impact on Smooth Hill if an incineration plant was built in the Waimate region?
 - g) [REDACTED]
 - h) What do you consider resilience to be?
 - i) Could rail be used to transport waste out of Dunedin? If so, what effect would that have on your modelling?
 - j) What non-financial considerations do you think DCC should consider when deciding whether to build Smooth Hill (alone or in partnership)?
 - k) What level of bond is usually set for landfills?
 - l) Can you please confirm that your modelling has factored in on-going operational costs?
 - m) Can you please advise what interest rate has been assumed?
- 85 Answers to the above questions are set out in Attachment D rather than being restated in this report. However, of particular note:

- a) There are currently 40 registered Class 1 Landfills in New Zealand, with 17 in the South Island. Most of these landfills receive less than 10,000 tonnes per annum.
- b) The main South Island Landfills are:
 - i) York Valley Landfill, Nelson (owned by Nelson City Council)
 - ii) Marlborough Regional Landfill (Bluegums), Marlborough (owned by Marlborough District Council)
 - iii) McLean's Pit Landfill, West Coast (owned by Grey District Council)
 - iv) Kate Valley Landfill, Canterbury (owned by Canterbury Waste Services Joint Venture)
 - v) Redruth Landfill, Canterbury (owned by Timaru District Council)
 - vi) Green Island Landfill, Otago (owned by Dunedin City Council)
 - vii) Victoria Flats Landfill, Otago (owned by Queenstown Lakes District Council)
 - viii) AB Lime Limited, Southland (owned by AB Lime)
- c) In 1995 there were 327 Landfills in New Zealand, compared to the current 40 Landfills.
- d) While the number of Class 1 Landfills has reduced substantially over recent decades, the volume of waste disposal has not.



- e) Most landfills in New Zealand are publicly owned, although the four large facilities (which handle most of the waste) are privately owned or public-private partnerships. Bonny Glen, Redvale and Hampton Downs are privately owned, and Kate Valley is a public-private partnership.

A discussion on the Morrison Low Reports, including Staff Recommendations

General comments

- 86 It is clear from the Morrison Low Reports that the continuation of the Green Island Landfill for at least the next few years has significant benefits for Council as it is the lowest cost option during this period.

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91 Council will need to keep in mind when considering its options here, that there is the upcoming issue of disposal of waste from Kettle Park. Council is expected to need to remove approximately 220,000 cubic metres from the old landfill at Kettle Park. This is likely to equate to more than 300,000 tonnes of waste. Council will need to dispose of that waste to an approved landfill in a way that is financially prudent and in a way that aligns with Council's Carbon Zero Policy.

Building a landfill at Smooth Hill vs the export of waste out of district

- 92 The option of exporting waste out of district is not considered by staff to be a viable alternative to developing a landfill at Smooth Hill. Reasons for this include:

a) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

b) [REDACTED]
[REDACTED] there are other factors that Council will need to consider. These include:

- i) The views of mana whenua;
- ii) Council's Carbon Zero Policy;
- iii) The economic benefits to Dunedin;
- iv) Resilience for the Council and City, including in an emergency; and
- v) Council's level of control.

c) [REDACTED]
[REDACTED]

- 93 Mana whenua support the construction of Smooth Hill Landfill and have stated that an export option is unacceptable to mana whenua (as per Mr Ellison's evidence to the Smooth Hill Hearing on behalf of Te Rūnanga o Ōtākou).
- 94 The export of waste out of district would be inconsistent with Council's Carbon Zero Policy because of the transport that would be required from Dunedin to Winton. The number of truck movements each week is estimated to be 38-40 trucks per week if the waste volume remains at approximately 60,900 tonnes per annum. If the volume dropped to 35,000 tonnes then it is estimated that the number of truck movements would be 22-23 trucks per week.
- 95 The Economic Assessment Report prepared as part of the consenting process for Smooth Hill Landfill identified that trucking Dunedin's waste out of district would have a range of costs associated with transporting waste over large distances (costs and environmental emissions) that are not offset by any of the economic and other benefits associated with developing infrastructure and employment opportunities locally.
- 96 The out of district option would also expose Council to economic risk from increases in fuel prices.
- 97 If Council has its own landfill, then this creates resilience for the city because it provides Council with a disposal option during the life of the landfill. This could be important in the event of a natural disaster. For example, it is not unforeseeable that roads could be blocked preventing access to an out of district landfill.
- 98 If Council builds its own landfill, then it has control over a lot more things than it would under a contract with an out of district landfill owner. [REDACTED]

■ [REDACTED]
[REDACTED]

■ [REDACTED]
[REDACTED]

[REDACTED]

- 99 If Council builds its own landfill, then it has autonomy over the waste collection process, from the kerbside collection right through to diversion and residual disposal.

Building a landfill at Smooth Hill alone vs in a 50:50 partnership with a private waste company

- 100 As set out above, the financial modelling shows that Option 1 (Council building Smooth Hill alone) provides the best financial position for Council *if* the annual waste tonnage to Smooth Hill Landfill remains the same or similar to the annual waste tonnage through Green Island Landfill. This is because, although Council has the full construction costs, it retains all profits from gate revenue.

- 101 It will be for Council to decide whether it is prepared to take the risk around the potential loss of annual tonnage if Council builds Smooth Hill alone.

- 102 However, Council staff note that:

- a) The risk needs to be balanced against the loss of control that would inevitably arise through a 50:50 partnership arrangement (despite Council having more control over tonnage in a 50:50 partnership).

- b) [REDACTED]

- c) Council will need to dispose of its own waste (e.g. in relation to closed landfills, such as Kettle Park). If Council is disposing of 220,000 cubic metres of waste from Kettle Park, then essentially it would be paying half the profit from the gate rate to its joint venture partner.

- d) [REDACTED]

- e) [REDACTED]

■ [REDACTED]

■ [REDACTED]

- f) [REDACTED]

- g) There would be costs associated with Council creating a 50:50 partnership. There would need to be a procurement process, probably the formation of a joint venture company/limited partnership and governance requirements. Under a 50:50 partnership, it is expected that Council would retain ownership of the land at Smooth Hill, but the facilities would be owned through a joint venture company.
- 103 There are examples of various partnerships regarding landfills. For example:
- a) Kate Valley Landfill in Canterbury was initially a joint venture between the Canterbury councils, Enviro NZ and Waste Management NZ (WMNZ). During a sale process for Enviro NZ, the company's share in Kate Valley was sold to WMNZ, despite opposition from the councils at the time.
- b) Bonny Glen Landfill in Rangitikei is jointly owned by Enviro NZ and WMNZ, through a limited partnership called MidWest Disposals Limited. The councils in the surrounding region have long term disposal agreements with Bonny Glen rather than an ownership stake.
- 104 If Council wants to build Smooth Hill in partnership with a private waste company, then this would require a detailed procurement strategy and a further report back to Council on the proposed structure of the partnership.
- 105 Some initial work has been done in this area to identify likely options. The two key options would be:
- a) A standalone company; or
- b) A build, own, operate and transfer (BOOT) contract.
- 106 Both options are complex (particularly given competing objectives) and would be expensive to establish. The arrangements would be for a period probably of at least 20 years.
- 107 The arrangements would be negotiated through a staged procurement process. [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Staff recommendation

- 108 Staff recommend that Council decides in principle for inclusion in the draft 9 Year Plan 2025-34 that it would prefer to:
- a) Build a landfill at Smooth Hill, rather than export waste out of district; and

- b) Build a landfill at Smooth Hill alone, rather than in a partnership with a private waste company.
- 109 The reasons for recommending building a landfill at Smooth Hill rather than exporting waste include that:
- a) The export of waste is not economically favourable when compared with the option of building at Smooth Hill.
 - b) The export of waste is unacceptable to mana whenua and does not align with Council's Carbon Zero Policy.
 - c) The export of waste does not have the economic benefits to Dunedin that would come with building Smooth Hill Landfill.
 - d) The export of waste does not provide Council with the same level of resilience that would come from owning its own landfill, particularly if there is a natural disaster.
 - e) There are contractual risks, such as the contract being for a specified period.
 - f) Council would be vulnerable to price increases if fuel costs increased.
- 110 The reasons for recommending building Smooth Hill Landfill alone rather than in partnership include that:
- a) Council has a fully consented project for the development of Smooth Hill Landfill. With Green Island nearing capacity, the city needs an alternative site for the disposal of its residual waste stream and Smooth Hill provides Council with the opportunity to build a modern facility, within the city boundaries. This enables the city to have control over its own municipal waste, manage long term disposal of waste from other city facilities (eg Kettle Park) and provide revenue opportunities while at the same providing the best option for meeting zero carbon aspirations.
 - b) Council would have the greatest autonomy, and it would allow Council to focus on its waste minimisation goals.
 - c) Council would retain 100% of the revenue generated from the Smooth Hill Landfill, which creates the best financial position for Council *if* the annual waste tonnage to Smooth Hill Landfill remains the same or similar to the annual waste tonnage through Green Island Landfill. [REDACTED]
 - d) [REDACTED]

Council's consultation requirements*Consultation in the 10 Year Plan 2021-31*

- 111 Council consulted on funding for the development of Smooth Hill Landfill as part of the 10 Year Plan 2021-31. The consultation document recorded that:

We've got \$56 million in the budget (2024-25 to 28-29) to develop a new landfill at Smooth Hill, south of the city. Smooth Hill has been identified as a suitable site and we are working through the resource consent process.

With the Green Island Landfill coming to the end of its life, we need to develop a new, modern landfill....

- 112 The Long Term Plan 2021-31 was adopted with \$56 million allocated for building Smooth Hill.

What decisions would trigger mandatory consultation through the 9 Year Plan 2025-34?

- 113 A decision by Council to export waste or to build a landfill at Smooth Hill in partnership with a private waste company would likely trigger mandatory consultation through the Long Term Plan.
- 114 This is because the decision to export waste or to enter a 50:50 partnership are decisions where section 97 of the Local Government Act 2002 is likely to apply. Section 97 relates to decisions to significantly alter the intended level of service provision for any significant activity or to transfer the ownership or control of a strategic asset to or from a local authority. Smooth Hill Landfill almost certainly falls within the statutory definition of "strategic asset", being an asset "that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcomes that the local authority determines to be important to the current or future well-being of the community." This view is supported by Council's Significance and Engagement Policy which lists "Landfill Facilities" as strategic Council-owned assets.
- 115 Also, a 50:50 partnership would be a council-controlled organisation and section 56 of the Local Government Act requires the Council to consult before establishing a council-controlled organisation.

What are the consultation requirements if Council decides to build the Smooth Hill landfill alone?

- 116 A decision by Council to build Smooth Hill Landfill alone would not trigger mandatory consultation under section 97 of the Local Government Act 2002. However, the updated budget cost will need to be included in the 9 Year Plan 2025-34, which means that the decision and cost will be subject to the 9 Year Plan 2025-34 consultation process anyway.
- 117 Given that the decision on whether to build Smooth Hill alone is of at least medium significance under Council's Significance and Engagement Policy, staff recommend including information in the 9 Year Plan 2025-34 consultation document about Council's plans for Smooth Hill.
- 118 While the exact wording has not yet been determined, the consultation document would outline Council's intention to build a new facility at Smooth Hill, the budget that had been allowed and the likely timeframe. The consultation document would also explain that Council had looked at alternatives but that for all the reasons detailed in the advantages section, was building a new municipal landfill.

- 119 The exact wording will be developed and provided to Council as part of the 9-year Plan process for developing the consultation document noting Council's feedback that the document will provide more comprehensive information than the last consultation document.

Why is the decision recorded as being an "in principle" decision?

- 120 The staff recommendation is expressed as being an "in principle" decision because the decision will be subject to consultation through the 9 Year Plan 2025-34 process as the funding will need to be included in the draft 9 Year Plan budget.

OPTIONS

- 121 There are three shortlisted options for Council:

- a) Build a landfill at Smooth Hill alone.
- b) Build a landfill at Smooth Hill in a 50:50 partnership with a private waste company.
- c) Export Dunedin's municipal waste out of district.

- 122 For a variety of reasons, exporting waste is not seen by Council staff as a feasible long-term solution for the Council's waste needs. However, it is included in the options assessment for completeness.


Option One – Recommended Option – Build a landfill at Smooth Hill alone

- 123 Under this option, Council would:

- a) Decide in principle for inclusion in the draft 9 Year Plan 2025-34, it would prefer to:
 - i) Build a landfill at Smooth Hill, rather than export waste out of district; and
 - ii) Build a landfill at Smooth Hill alone, rather than in a partnership with a private waste company.
- b) Note that this decision is subject to consultation through the 9 Year Plan 2025-34 process as the funding will be included in the draft 9 Year Plan 2025-34 budget.

Advantages

- Provides Council with the greatest autonomy.
- Allows Council to focus on its waste minimisation goals.
- Council retains 100% of revenue generated from Smooth Hill Landfill.
- This is the best option financially, provided the annual waste tonnage to the Smooth Hill Landfill remains the same or similar to current tonnages to the Green Island Landfill.
- Construction of a landfill at Smooth Hill:
 - i) Creates resilience, including in natural disasters.
 - ii) Is supported by mana whenua.

- iii) Aligns with Council's Carbon Zero Policy.
- iv) Has economic benefits to Dunedin.
- v) Minimises risks around fuel price increases, as compared to the export option.
- Allows Council to dispose of its own waste and receive 100% of the revenue from that disposal (including from an estimated 220,000 cubic metres of waste from Kettle Park).
- Council has resource consents for the Smooth Hill Landfill, so the project has been de-risked from a consenting perspective.
- 

Disadvantages


- Council would pay all construction costs for the Smooth Hill Landfill.
- Carries the most financial risk if the volume of tonnes to Smooth Hill Landfill decreases below current tonnes to Green Island Landfill. However, there may be ways to mitigate that risk and Council will need somewhere to dispose of waste from Kettle Park.
- Carries the most financial risk if there are significant capital cost increases in building Smooth Hill Landfill.

Option Two – Build a landfill at Smooth Hill in a 50:50 partnership with a Private Waste Company

124 Under this option, Council would

- a) Decide in principle for inclusion in the draft 9 Year Plan 2025-34, that it would prefer to:
 - i) Build a landfill at Smooth Hill, rather than export waste out of district; and
 - ii) Build a landfill at Smooth Hill in partnership with a private waste company, rather than alone.
- b) Note that this decision is subject to mandatory consultation through the 9 Year Plan 2025-34. (Note: Any consultation would need to clearly specify Council's intent if negotiations with a facility partner were unsuccessful).

Advantages

- Construction costs are shared equally with a joint venture partner.
- 
- Construction of a landfill at Smooth Hill:
 - i) Creates resilience, including in natural disasters.

- ii) Is supported by mana whenua.
- iii) Aligns with Council's Carbon Zero Policy.
- iv) Has economic benefits to Dunedin.
- v) Minimises risks around fuel price increases, as compared to the export option.

Disadvantages

- Profits are shared equally with a joint venture partner.
- Council has less autonomy under this option than building Smooth Hill alone.
- [REDACTED]
- There would be costs and time associated with a 50:50 partnership, including procurement process costs, probably costs associated with forming a joint venture company and governance requirements.

Option Three– Export waste out of District

125 Under this option, Council would:

- a) Decide in principle for inclusion in the draft 9 Year Plan 2025-34, that it would prefer to export its waste out of district rather than build a landfill at Smooth Hill; and
- b) Note that this decision is subject to mandatory consultation through the 9 Year Plan 2025-34.

Advantages

- This option has the lowest capital requirement. [REDACTED]

Disadvantages

- Not economically favourable when compared with the option of building at Smooth Hill.
- [REDACTED]
- Unacceptable to mana whenua.
- Does not align with Council's Carbon Zero Policy.
- Does not have the economic benefits to Dunedin that would come with building the Smooth Hill Landfill.
- Does not provide Council with resilience, including in natural disasters.

- Reduces Council's level of control over its waste.
- Council would be vulnerable to price increases if fuel costs increased.

NEXT STEPS

- 126 Council staff will include Council's decision in the draft 9 Year Plan consultation document and report back to Council in time for Council deliberations on the 9 Year Plan.
- 127 Staff are also considering the possibility bringing a public report on Smooth Hill to the 9 year plan meetings in January 2025. This would be aimed at providing as much information as possible for the community. This report would be a noting report but could include much of the material in this report. This report would also likely include possible wording for the consultation document.

Signatories

Author:	Chris Henderson - Group Manager Waste and Environmental Solutions Karilyn Canton - Chief In-House Legal Counsel
Authoriser:	Scott MacLean - General Manager, Climate and City Growth Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
A	Waste Minimisation Management Plan 2020	
B	Wider Waste System - Detailed Business Case (February 2023)	
C	Comparison of Disposal Costs (September 2024)	
D	Morrison Low - Questions and Answers (November 2024)	
E	Council resolution 5 August 2020	

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities. This decision promotes the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Spatial Plan	✓	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

The Waste Futures Project contributes to the Environment Strategy by enabling a robust evaluation of potential options for Council to continue to ensure effective reduction and management of solid waste to achieve the goals set out in its WMMP, and its Carbon Zero Policy.

Māori Impact Statement

Mana whenua have been identified as a stakeholder in the Waste Futures project and have been engaged during the Better Business Case options development phase, and the resource consenting processes for both the Smooth Hill Landfill and the Green Island Landfill. Mana whenua do not support the export of waste out of district. This has been stated as being unacceptable to mana whenua (as per Mr Ellison's evidence to the Smooth Hill Hearing on behalf of Te Rūnanga o Ōtākou).

Sustainability

The Council's overall objective for the Waste Futures project is to ensure effective reduction and management of solid waste to achieve the goals set out in Council's WMMP. Council's new kerbside collection service and Resource Recovery Park have been designed to assist in meeting Council's waste minimisation goals. Having a sufficient level of tonnage to provide revenue that funds the construction and operation costs of a landfill is not necessarily inconsistent with Council's waste minimisation goals. For example, Council could focus on reducing current waste streams, but seek to broaden its catchment area.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

The consultation document for the Long Term Plan 2021-31 identified that Council had \$56 million in the budget to develop a new landfill at Smooth Hill. The draft budget that will be considered by Council as part of the 9 Year Plan 2025-34 process currently has \$92.4 million allocated for the Smooth Hill Landfill. The increased budget allocation is due to price increases in the construction sector and to manage contingencies.

Financial considerations

The financial considerations are fully considered in the body of the report.

SUMMARY OF CONSIDERATIONS

Significance

The decision is considered medium to high in terms of the Council's Significance and Engagement Policy. Formal decision making will be part of the 9 Year Plan 2025-34 process, which will be formally consulted on using the special consultative process.

Engagement – external

Smooth Hill has been discussed widely for many years. The previous 10 year Plan consultation document included commentary on Smooth Hill. The resource consent process for Smooth Hill was a fully notified public process. There has also been a community liaison group established as part of the consent process and that group has been formed and is meeting.

Engagement - internal

There has been extensive internal engagement for the Waste Futures project, including Waste and Environmental Solutions, Legal Services, Finance, Transport, 3 Waters, Communications and Marketing.

Risks: Legal / Health and Safety etc.

Legal advice has been undertaken on the various components of the Waste Futures Project to ensure statutory compliance and minimisation of legal risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Both the current landfill site at Green Island and proposed landfill site at Smooth Hill are of particular interest to the Saddle Hill and Mosgiel Taieri Community Boards. There have been periodic updates to these Community Boards and, as part of the 9 Year Plan 2025-34 consultation process, they will have the opportunity to make a submission to Council on decisions contemplated in this report. The Chair of the Saddle Hill Community Board is also the current Chair of the Community liaison group formed as part of the consent process.