

18 November 2016

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Sent by Email

Dear Anthony

**Authorisation Application by Nelson City Council (NCC) and Tasman District Council (TDC)**

1. We refer to the submission from Waste Management to the Commission dated 4 November 2016 in response to the application for authorisation by NCC and TDC (together referred to as the **Councils**). This was available on the Commission's website from 11 November 2016. The Councils' response to Waste Management's submission is set out below.
2. The Councils understand from Waste Management's letter that its primary concerns with the proposed Regional Landfill Business Unit (**RLBU**) are whether the Richmond RRC will remain available for the disposal of commercial waste, and whether commercial operators will be allowed to access the Nelson RTS once the York Valley landfill closes. Waste Management has stated variously in its letter that:

"If the landfills become jointly owned/managed and both the York Valley landfill and the RTS in Richmond are not kept available to WM, then the adverse impact on WMs business will be substantial. ...

If Eves Valley landfill closes, **this won't impact WMs business too much** as long as the RTSs remain open and available to WM. ...

... as long as the Richmond RTS remains available for the disposal of commercial waste, and commercial operators are allowed to access the Nelson RTS once York Valley landfill closes, **the impact on WM from the proposed arrangement will be minimized**". [emphasis added]
3. In answer to those concerns, the Councils advise the following:
  - (a) Once established, the RLBU will accept commercial waste at York Valley from commercial operators (including Waste Management);
  - (b) There is no proposal by TDC to close the Richmond RRC for access by commercial operators. TDC is intending to continue to keep its RRCs (and in particular the Richmond RRC) open and available for the disposal of commercial waste by commercial operators (including Waste Management) following the establishment of the RLBU. TDC has identified in its Activity Management Plan<sup>1</sup> that on some days commercial loads may exceed capacity so that it should monitor performance of the Richmond RRC site. Options to address capacity include amending opening hours, working with customers to reduce peaks or sending large loads direct to landfill, reviewing

<sup>1</sup> Tasman District Council Solid Waste Activity Plan 2015, section B.2.2.2.

staffing levels and increasing bin storage capacity on site. Any changes to access would be via the Long Term Plan or Annual Plan of TDC. Waste Management (and all other commercial operators) would have the opportunity to submit their views on any such proposal;

- (c) The York Valley landfill is not expected to close for another 15 years. NCC's current expectation is that commercial operators will be allowed to access the Nelson RTS for the disposal of commercial waste once the York Valley landfill closes;
  - (d) Even after the York Valley landfill does close, TDC is not planning to restrict commercial access to the Richmond RRC (contrary to Waste Management's assumption);
  - (e) As a final point, and as indicated in the authorisation application, the operation of NCC's RTS and TDC's RRCs is outside the RLBU. Each Council will maintain individual ownership and operation of its RTS / RRCs.
4. Based on the above confirmations, the Councils understand from Waste Management's letter that it would accept that the impact of the RLBU proposal on it will be minimal.
5. Waste Management's remaining concerns seem to be focused on its perception that a single landfill will remove the "competitive tension" that exists with the two existing landfills. In response, the Councils note the following:
- (a) The RLBU will remain subject to constraints on price increases going forward. These include both statutory constraints (through the Local Government Act and Waste Minimisation Act), public consultation requirements, the Waste Management and Minimisation Plan and practical issues (such as the avoidance of flytipping, and the issue of potential diversion of waste to Marlborough District Council's landfill). These constraints have been summarised at para. 20 of our letter to the Commission dated 17 October 2016, and are expanded on in more detail at paras. 28ff of the authorisation application;
  - (b) As a result, it is not correct that following the establishment of the RLBU there will be "no incentive" to keep landfill disposal costs to a competitive level (as Waste Management maintains);
  - (c) Waste Management itself is a 50% shareholder in Transwaste Canterbury Limited which owns the Kate Valley landfill in Canterbury (the other shares in this company being owned by five local authorities). As stated on Transwaste Canterbury's website<sup>2</sup>, the development of a single regional landfill for Canterbury at Kate Valley replaced the previous situation where local authorities had to develop their own landfills. Presumably Transwaste Canterbury and Waste Management would agree that there are benefits to the public in having a single landfill at Kate Valley for the people of Canterbury, rather than having separate competing landfills in that region;
  - (d) No doubt for similar reasons, the Councils maintain in this case that the public benefits of the RLBU proposal outweigh any detriments from the proposal for the reasons set out in the authorisation application.

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<sup>2</sup> <http://transwastecanterbury.co.nz/webpages/about-us/>

6. Lastly, for completeness, the Councils note that Waste Management previously provided a submission dated 31 January 2012 (copy **attached**<sup>3</sup>) on NCC's and TDC's proposed Joint Waste Management and Minimisation Plan (**JWMMP**). Waste Management did not comment directly on the proposed joint landfill solution, beyond stating that the Councils should engage with relevant industry service providers to ensure any opportunity for joint investment and innovation was considered (p8). Waste Management "commended" the Councils for combining to develop a JWMMP (eg at p9), and generally supported collaboration between the Councils in the procurement of new waste and the renewal of existing services since this would:

"... provide the Councils with better outcomes by increasing the scale of the activity which allows more scope for viable innovation and use of new technologies, and enables economies of scale to benefit local people." (at p2)

7. Please let us know if the Commission has any questions, or would like us to expand on any of the above points.

Yours sincerely



James Craig  
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SIMPSON GRIERSON

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<sup>3</sup> This submission is made by Transpacific Industries Group (NZ) Limited, which is now Waste Management.