


Tasman District Council

Solid Waste Activity Management Plan

2012 - 2022

July 2012

Quality Assurance Statement		
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For full Quality Assurance Statement, Refer Appendix Z

TABLE OF CONTENTS

1	KEY ISSUES FOR THE SOLID WASTE ACTIVITY	1
2	ACTIVITY DESCRIPTION	2
2.1	What We Do.....	2
2.2	Why We Do It.....	2
3	COMMUNITY OUTCOMES AND OUR GOAL	2
3.1	Our Goal	3
4	OPERATIONS, MAINTENANCE AND RENEWALS STRATEGY	3
4.1	Operations and Maintenance.....	3
4.2	Renewals	3
5	EFFECTS OF GROWTH, DEMAND AND SUSTAINABILITY	3
5.1	Population Growth	3
5.2	Sustainability.....	4
6	LEVEL OF SERVICE AND PERFORMANCE MEASURES.....	6
7	CHANGES MADE TO ACTIVITY OR SERVICE	10
8	KEY PROJECTS.....	11
9	MANAGEMENT OF THE ACTIVITY.....	12
9.1	Demand Management	12
9.2	Significant Effects	13
9.3	Assumptions	14
9.4	Risk Management.....	16
9.5	Improvement Plan.....	16
10	SUMMARY OF COST FOR ACTIVITY	17

LIST OF TABLES

Table 1-1: Key Issues for the Solid Waste Activity.....	1
Table 3-1: Community Outcomes.....	2
Table 6-1: Levels of Service.....	6
Table 7-1: Key Changes.....	10
Table 8-1: Significant Projects.....	11
Table 9-1: Significant Negative Effects	13
Table 9-2 Significant Positive Effects	14
Table 9-3: Significant Assumptions.....	14
Table 9-4: Significant Risks and Control Measures	16

LIST OF FIGURES

Figure 5-1: Projected Population Growth for Tasman District.....	4
Figure 10-1: Total Expenditure.....	17
Figure 10-2: Total Income	17
Figure 10-3: Capital Expenditure.....	18
Figure 10-4: Operating Expenditure	18
Figure 10-5: Debt	19
Figure 10-6: Investment in Renewals.....	19

1 KEY ISSUES FOR THE SOLID WASTE ACTIVITY

The most important issues relating to the solid waste activity are shown below in Table 1-1.

Table 1-1: Key Issues for the Solid Waste Activity

Key Issue	Discussion
Joint solid waste management with Nelson City Council.	There is potential for Council to provide better and more cost-effective solid waste services through joint waste management with Nelson City Council. A joint approach needs further investigation. It could lead to improved security of income, reduced impacts from methane emissions and more optimal infrastructure investment. The Waste Management and Minimisation Plan (WMMP) recently adopted with Nelson City Council addresses these matters and identifies a forward programme of work. Investigation of a joint landfill solution is a matter of priority.
The Emissions Trading Scheme (ETS).	The Emissions Trading Scheme is likely to increase the costs of providing the solid waste activities. The ETS is costing approximately \$185,000 in 2012/2013, increasing to approximately \$560,000 in 2015/2016 Council has budgeted for the full cost implications of the ETS in the Long Term Plan (LTP) and is considering the ETS implications as part of investigating a joint landfill solution with Nelson City Council.
Eves Valley Landfill extension.	If Council continues to use the Eves Valley Landfill to at least current levels, additional space will be required during the 10 year period; therefore, Council will need to undertake expensive expansion of the landfill. This work is currently budgeted in the Activity Management Plan (AMP). If the work is not required as a result of discussions with Nelson City Council on a joint landfill, then the cost of the work could be removed from the work programme at some stage in the future.
Resource Recovery Centres upgrades.	The Richmond Resource Recovery Centre has recently been upgraded; the other resource recovery centres in the district are also in need of upgrading as identified through Strategic Development Plans (SDPs) for each site. The costs of undertaking this work will be reasonably high. These address the upgrade requirements and waste minimisation improvements.
Uncertainty around customer expectations.	There is uncertainty around customer expectations for kerbside recycling and educational services. Council expects that there could be increased demand for recycling and education services but this could be off-set by a lack of willingness to pay for those services by some members of the community. Consultation projects have been programmed and community survey questionnaires will be revised. Council also intends to review behaviour change and education programmes. Outcomes of these will be considered in the context of WMMP objectives.
Many contracts are due to expire within the first three years of this AMP and require consideration of the type of procurement.	Provide short term contracts either through extending existing contracts or through new contracts so as to enable longer term procurement planning on the basis of operative WMMP.

2 ACTIVITY DESCRIPTION

2.1 What We Do

Council provides comprehensive waste management and minimisation services. It achieves this through providing kerbside recycling and waste collection services, and five resource recovery centres – at Richmond, Mariri, Takaka, Collingwood and Murchison. Waste disposal from these sites is transferred to a Council owned landfill at Eves Valley and recyclable material is processed and on-sold by Council contractors. All public and commercial waste disposal is through the resource recovery centres with special waste disposed directly to Eves Valley.

Council promotes waste minimisation through kerbside collection of recyclable materials, on-going educational programmes, provides drop off facilities for green waste, reusable and recyclable materials.

There are 22 closed landfills.

A complete description of the assets is in Appendix B.

2.2 Why We Do It

The efficient and effective collection and disposal of waste protects both public health and the environment. Waste minimisation activities promote efficient use of resources and extend the life of Council's landfill assets. The Waste Minimisation Act 2008 has increased the requirement for consideration of waste minimisation in Council's planning. The Act aims to protect the environment from harm by encouraging the efficient use of materials and a reduction in waste.

Under this legislation Council is required to carry out a waste assessment to prepare a Waste Management and Minimisation Plan (WMMP) by 2012. A Draft WMMP, prepared jointly with Nelson City Council, is currently out for public consultation. This WMMP will supersede Council's existing Waste Management Plan. The outcome of the WMMP process will be incorporated in the final Long Term Plan and Activity Management Plan.

3 COMMUNITY OUTCOMES AND OUR GOAL

Council operates, maintains and improves solid waste infrastructure assets on behalf of the ratepayers to enhance community well-being by minimising risks to public health and to the environment from the waste generated by people. The community outcomes that the solid waste activity contributes to most are shown in Table 3-1.

Table 3-1: Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment is healthy and protected.	All material that is collected by the Council's operators or delivered to Council-owned facilities is processed or disposed of in an appropriate and sustainable manner. These activities will be managed to minimise the impact on the receiving environment.
Our urban and rural environments are pleasant, safe and sustainably managed.	Our kerbside collections ensure our built urban and rural environments are functional, pleasant and safe by receiving materials from the community and recycling, reusing or disposing of them with a minimum of nuisance and public complaint.
Our infrastructure is safe, efficient and sustainably managed.	Solid waste activities are operated in a safe and efficient manner to provide waste and recycling services that the community is satisfied with and which promote the sustainable use of resources.

3.1 Our Goal

Council's long-term goals for solid waste management are contained in the Draft Waste Management and Minimisation Plan currently out for public consultation. They are to:

- 1 – avoid the creation of waste
- 2 – improve the efficiency of resource use
- 3 – reduce the harmful effects of waste.

4 OPERATIONS, MAINTENANCE AND RENEWALS STRATEGY

4.1 Operations and Maintenance

Council currently contracts out the day-to-day operation and maintenance of solid waste assets and services with the aim of maintaining required levels of service. The Council's operation and maintenance contracts are let through competitive tendering of the works to ensure optimum value.

The contracts are let on a combination of prescriptive and performance basis with a view to:

- achieving maintenance efficiencies and cost effectiveness by allowing the contractor to be innovative in managing the operation and maintenance activities
- encouraging pro-active maintenance practices rather than reactive practices
- ensure compliance with legislative, monitoring and resource consent requirements
- ensure that Council's waste minimisation strategy is adhered to.

Operation and maintenance is discussed in detail in Appendix E.

4.2 Renewals

Assets are considered for renewal as they near the end of their effective working life or where the cost of maintenance becomes uneconomical and when the risk of failure of the assets is sufficiently high.

Prior to any assets being renewed, the Council and contractor will assess these assets to confirm whether renewal is necessary. In the event it does not need to be renewed, a recommended date of renewal is then inputted back into Council's asset management system. This new date will then be included in the next Asset Management Plan update.

Renewals are discussed in detail in Appendix I.

5 EFFECTS OF GROWTH, DEMAND AND SUSTAINABILITY

5.1 Population Growth

The Council has developed a Growth Demand and Supply Model (GDSM) to forecast the population and business growth in the district and the implications of this growth on network infrastructure. The Growth Demand and Supply Model is described in brief in Appendix F and in more detail in a separate model description report.

The ultimate outputs of the G Growth Demand and Supply Model DSM include a projection of the district's population, and forecast of where and when new dwellings and business buildings will be build and a forecast of the number of new water connections. This is summarised in Appendix F. The population projection for Tasman District Council is shown in Figure 5-1.

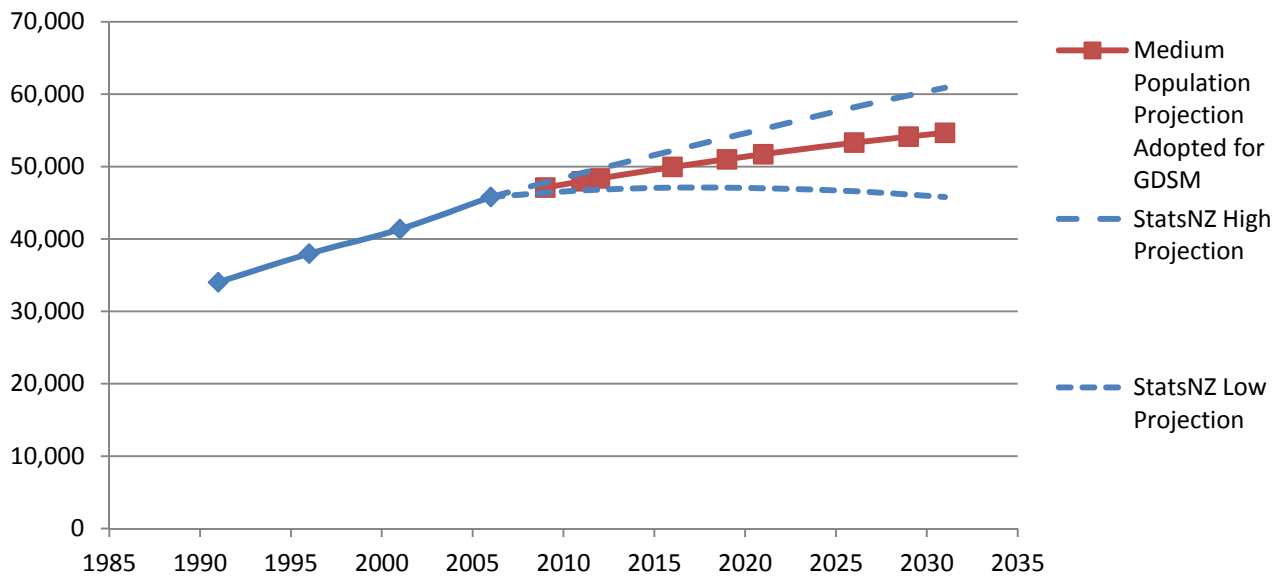


Figure 5-1: Projected Population Growth for Tasman District

The forecast of population growth has been used to determine where and when Council infrastructure needs to be developed and at what capacity. Council has also considered the influence of changing demographics, community expectations, industrial/commercial demand, technology and legislation on the demand for this service.

As a result of the recession and general slowdown in development since 2008, Council has:

- adopted lower population projections for Richmond and Motueka (in 2008 Council adopted Statistics New Zealand high growth projections), this time they have adopted medium growth projections
- assumed there would be no business growth until July 2012 that would have a significant demand on infrastructure.

From these analyses and assumptions, Council has a moderate forecast of growth for the district. However there are a number of projects where growth is a contributing factor and allowance has been made in the design of future works and in funding arrangements. The major growth projects are listed in Table 8-1 and are identifiable by the project driver column.

5.2 Sustainability

The Local Government Act 2002 requires local authorities to take a sustainable development approach while conducting its business, taking into account the social, economic and cultural well-being of people and communities, the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations.

Sustainable development is a fundamental philosophy that is embraced in Council's Vision, Mission and Objectives, and that shapes the community outcomes. The levels of service and the performance measures that flow from these inherently incorporate the achievement of sustainable outcomes.

Many of the Council's cross-organisational initiatives are shaped around community well-being (economic, social, cultural and environmental) and taking into consideration the well-being of future generations. This is demonstrated in:

- Council's Integrated Risk Management approach which analyses risks and particularly risk consequences in terms of community four well-being
- Council's Growth Demand and Supply Model which seeks to forecast how and where urban growth should occur taking into account opportunities and risks associated with community well-being
- Council adopting a 20 year forecast in the Activity Management Plans to ensure the long term financial implications of decisions made now are considered.

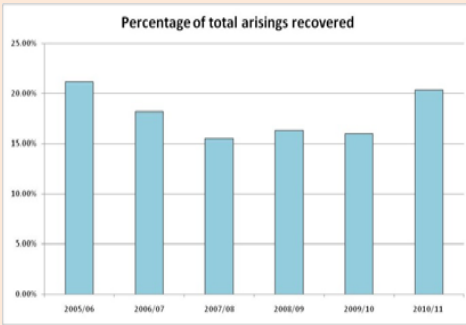
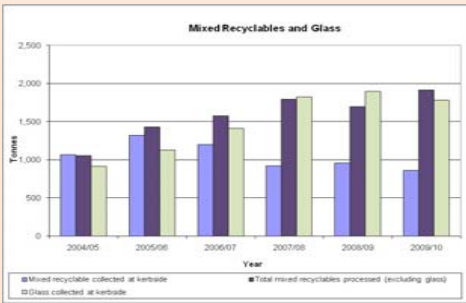
At the activity level, a sustainable development approach is demonstrated by the following:

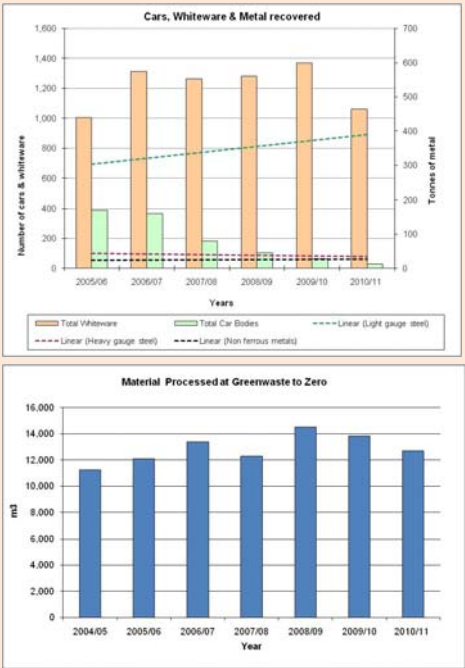
- a strategy of working towards a joint approach with Nelson City Council for regional waste management and minimisation. This approach, if successfully adopted, is expected to result in more sustainable long term management of activities
- a strategy of diversion of material from landfill to improve resource efficiency and prolong asset life of Council's landfill assets.

6 LEVEL OF SERVICE AND PERFORMANCE MEASURES

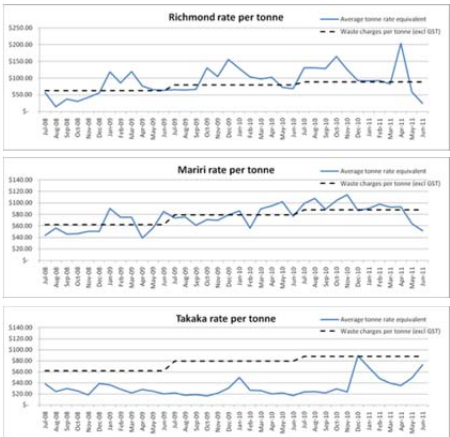

The following table summarises the levels of service and performance measures for the solid waste activity. Development of the levels of service is discussed in detail in Appendix R. The shaded rows indicate those Levels of Service and performance measures which are included in the Long Term Plan.

Table 6-1: Levels of Service

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at end Year 2 2010/11)	Future Performance			Future Performance (targets) in Year 10 2021/22
				Year 1	Year 2	Year 3	
				2012/13	2013/14	2014/15	
Community Outcome: Our unique natural environment is healthy and protected.							
1	We provide effective waste minimisation activities and services.	<i>% of waste diverted from landfill is maintained or increased. As measured monthly and reported annually.</i>	<p>Actual = 20.3%</p>  	23%	25%	25%	25%

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at end Year 2 2010/11)	Future Performance			Future Performance (targets) in Year 10 2021/22
				Year 1	Year 2	Year 3	
				2012/13	2013/14	2014/15	
			 <p>Cars, Whiteware & Metal recovered</p> <p>Material Processed at Greenwaste to Zero</p>				
2		<p><i>There is a reduction in waste per capita per year going to landfill.</i></p> <p><i>As measured by tonnage recorded at landfill.</i></p>	<p>Actual = 415kg/capita</p>	<p>400 kg / capita</p>	<p>395 kg / capita</p>	<p>390kg / capita</p>	<p>390 - 400 kg / capita</p>
3		<p><i>Participation in Council's waste minimisation services increases.</i></p> <p><i>As measured on a three yearly basis through resident surveys of those people provided with the opportunity to use kerbside recycling services.</i></p>	<p>Actual = 83%</p> <p>The Communitrak™ survey was undertaken in May/June 2011. This survey showed that 83% of residents provided with Council's kerbside recycling services used the service in the last 12 months.</p>	<p>80%</p>	<p>80%</p>	<p>85%</p>	<p>90%</p>

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at end Yr 2 2010/11)	Future Performance			Future Performance (targets) in Year 10 2021/22
				Year 1	Year 2	Year 1	
				2012/13	2013/14	2012/13	
4		<i>% Compliance with our resource consents.</i>	Actual = Eves Valley Landfill: 95% Murchison RRC: 98% Richmond RRC: 94% Collingwood RRC: 97% Takaka RRC: 99% Mariri RRC: 95% Rototai: 98% Closed Landfills 100%	100%	100%	100%	100%
Community Outcome: Our urban and rural environments are pleasant, safe and sustainably managed.							
5		<i>% of enquiries resolved within 24 hours. As measured through Confirm.</i>	Actual = 90%	95%	95%	95%	95%
6	Our kerbside recycling and bag collection services are reliable, easy to use.	<i>% customer satisfaction with kerbside recycling and bag collection services. As measured through annual resident survey of those provided with Council's kerbside waste collection services.</i>	Actual = Rubbish bag collection = 69% Kerbside recycling = 90% The Communitrak™ survey was undertaken in May/June 2011. 90% of receivers of Council's kerbside service were found to be satisfied or very satisfied with the service they receive.	<i>Rubbish bag collection = 70%</i>	<i>Rubbish bag collection = 70%</i>	<i>Rubbish bag collection = 70%</i>	<i>Rubbish bag collection = 70% Kerbside Recycling = 85%</i>

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at end Year 2 2010/11)	Future Performance			Future Performance (targets) in Year 10 2021/22
				Year 1	Year 2	Year 1	
				2012/13	2013/14	2012/13	
Community Outcome: Our infrastructure is safe, efficient and sustainably managed.							
7	Our Resource Recovery Centres are easy to use and operated in a reliable manner.	Waste entering and leaving site is accurately accounted and charged for. As measured through average tonne rate equivalent.	<p>Actual =</p> 	95% waste accounted for.	95% waste accounted for.	95% waste accounted for.	95% waste accounted for.
8		% customer satisfaction based on-site surveys. As measured by annual customer surveys at Resource Recovery Centres.	<p>Actual = Surveys have been undertaken at the RRCs annually since 2008. The results from the 2010/11 survey showed an overall decrease in the level of satisfaction (fairly satisfied and very satisfied) of users of the RRCs.</p>	75%	75%	75%	75%
9		RRC sites score greater than or equal to 'Acceptable'. As measured by site audits carried out by the Contract Engineer.	<p>Actual = 80%</p> 	>90%	>90%	>90%	>90%

7 CHANGES MADE TO ACTIVITY OR SERVICE

Table 7-1 summaries the key changes for the management of the solid waste activity since the 2009 Asset Management Plan.

Table 7-1: Key Changes

Key Change	Reason for Change
Waste assessment carried out jointly by Nelson City Council and Tasman District Council. A key issue was the need to optimise waste disposal ie landfills and manage waste streams regionally.	Statutory requirement to carry out an assessment.
Development of a Joint Nelson City Council – Tasman District Council Waste Management and Minimisation Plan (WMMP). This will replace the operative Tasman District Council waste management plan.	Statutory requirement to review operative plan.
The emissions trading scheme will require landfill operators to pay emission units from 1 January 2013, budgeting needs to accommodate this new cost and reconsideration being given to the continued use of Eves Valley Landfill.	Statutory requirement.
New Zealand Waste Strategy 2010, which sets two new goals which need to be taken account in the WMMP.	Revised government policy.
Site Management Plans have been developed and are being implemented at RRCs.	To determine longer terms needs of facilities and how to optimise addressing these needs.
Council identified a number of aspects considered best practice from RRCs around the country and has taken these into account in the strategic development plans.	Moving to adopt best practice within the industry.

8 KEY PROJECTS

Table 8-1 details the key capital and renewal work programmed for years 2012 to 2022.

Table 8-1: Significant Projects

Activity	Projects	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)	Years 4 to 10 (\$)	Project Driver ¹
Eves Valley Landfill (2012 on-going).	Consent Renewal and closure plan	529,615	141,570			R
	Stage 3 Development			184,655	8,478,733	LoS
	Stage 2 Capping			203,643	413,457	LoS
	Retrofit Landfil gas collection to Stage 2				870,100	LoS
	Gas Flare to coincide with Stage 3				1,075,600	LoS
Resource Recovery Centres (2012 on-going).	Richmond	111,988	257,842	8,460	737,168	LoS/R
	Mariri	201,420	612,600		612,960	LoS/R
	Takaka	20,920	27,500	329,900	814,765	LoS/R
	Collingwood	11,920			284,103	LoS/R
	Murchison	56,512			187,990	LoS/R
Closed Landfills (2016-2019).					280,000	LoS/R

Note:

1. See Appendix F for a full detailed list of new capital works projects driven by growth and or an increase in level of service.
2. See Appendix I for a full detailed list of renewal projects.

¹ Project Drivers – LoS = increasing Levels of Service, G = Growth, R = Renewals

9 MANAGEMENT OF THE ACTIVITY

9.1 Demand Management

Council's approach to the demand management of solid waste centres around three key areas:

- provision of services to divert material from landfill
- education and promotion
- full cost recovery for waste disposal (as much as is practical) and financial support of waste minimisation initiatives.

9.1.1 Diversion of Material from Landfill

To divert waste materials away from landfill, Council provides various public recyclables collection and disposal services within the district including:

- weekly kerbside collections for recyclables and waste
- recycling and disposal facilities at all Resource Recovery Centres (RRCs)
- green waste separation and processing.

9.1.2 Education and Promotion

To achieve successful solid waste management, both the public and industrial sectors must be well informed about environmentally appropriate solid waste management and the different options available for waste disposal.

To be effective, education and promotion projects require a high level of consistency with an unambiguous message. Key issues are the availability of educational material and the regularity and consistency of promotion initiatives. Council education and promotion initiatives have included the following activities:

- waste minimisation initiatives
- waste education to schools, businesses and the wider community
- advertising and resources.

9.1.3 Waste Minimisation

Waste minimisation covers all those initiatives that either seek to reduce the amount of waste being produced, or divert waste from being disposed of in a landfill where it will effectively be lost as a resource.

The most significant drivers for waste minimisation in the Tasman district are the New Zealand Waste Strategy, the Joint Waste Assessment, the Waste Management and Minimisation Plan (WMMP), and the future requirements for waste minimisation set out within the Waste Minimisation Act 2008.

Council's waste minimisation initiatives include the following activities:

- waste minimisation publicity
- zero waste grants
- compost bin incentive scheme
- event recycling
- organic material investigations
- composting initiatives
- cleanfill bylaw
- in-house programme
- paintwise expenses
- agrecovery expenses
- product stewardship.

9.2 Significant Effects

The significant negative and significant positive effects are listed below in Table 9-1 and Table 9-2 respectively.

Table 9-1: Significant Negative Effects

Effect	Council's Mitigation Measure
Broken refuse bags: may cause windblown litter.	This is managed by the contractor as detailed in the contract specifications.
<p>Recyclables Processing and Recyclables Collection: loose kerbside materials may become windblown litter.</p> <p>The loss of viable markets for recovered materials can have a negative effect on the economic viability of recycling.</p>	Procurement of recycling services requires contractors to provide evidence of experience and track record in recycling markets. Contractors take on the risk of finding markets – it is not Council's responsibility. Recycling commodities can be stockpiled if market prices reduce significantly.
<p>Resource Recovery Centres: can become odorous, dusty and give rise to windblown litter if incorrect operating procedures are not applied. There is also the possibility of stormwater contamination on site.</p>	The development and operation of RRCs must meet certain resource consent conditions. RRCs are also operated in accordance with Site Management Plans. RRC contracts allow for monthly KPI inspections which penalise contractors if the site is untidy or not operated correctly.
<p>Operational Landfills: can become odorous, dusty and give rise to windblown litter if incorrect operating procedures are not applied. Landfills produce leachate – this may cause contamination of groundwater or surface water if not collected and treated appropriately. Landfills produce gas, including methane. Methane contributes 15 times the effect that carbon dioxide does to the "greenhouse effect". There is also the possibility of stormwater contamination on site.</p>	The development and operation of the landfill must meet certain resource consent conditions. The landfill is also operated in accordance with a Landfill Management Plan. The landfill operations contract allows for monthly KPI inspections which penalise the contractor if the site is untidy or not operated correctly within the contract specification/resource consent conditions.
<p>Closed Landfills: if closed landfills are not capped off and vegetated correctly, they may release additional refuse or leachate to the environment or present an opportunity for illegal dumping to occur. Landfills continue to produce leachate, even after they have closed.</p>	Closed landfills are consented under a 'Global Consent' which requires remediation of certain identified landfills and inspections of all closed landfills every two years to determine if further remediation is required.
<p>The Costs of providing the services.</p>	Council uses competitive tendering processes to achieve best value for money for works it undertakes.

There are no significant negative effects from the educational aspects of this activity.

Table 9-2 Significant Positive Effects

Effect	Description
Kerbside collections.	Council provides consistent services to 80% of the district. Waste collection has public health and environmental benefits.
Greenwaste services/ composting initiatives.	These initiatives reduce methane emissions and demand for landfill space.
Recycling services.	Results in the reuse of resources and reduced demand for landfill space.
Financial impact.	Council's management of the solid waste activities uses best practice and competitive tendering to provide value for money for rate payers and provides jobs for contractors..

9.3 Assumptions

Council has made a number of assumptions in preparing the Asset Management Plan. These are discussed in detail in Appendix Q. Table 9-3 lists the most significant assumptions and briefly outlines the impact of the assumption.

Table 9-3: Significant Assumptions

Assumption Type	Assumption	Discussion
Financial Assumptions	That all expenditure has been stated in 1 July 2011 dollar values and no allowance has been made for inflation.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of the plans if inflation is higher than allowed for, but Council is using the best information practically available from Business and Economic Research Limited (BERL).
Emissions Trading Scheme	That the ETS will come into effect from 1 January 2013. The carbon price is currently unknown but has been assumed as \$15.00 per NZU.	Entry of waste activities into the ETS will have potentially significant (but as yet unknown) costs. Mitigation of these costs will require significant capital expenditure in the first three years of the AMP.
Asset Data Knowledge	That Council has sufficient knowledge of the assets and their condition so that the planned renewal work will allow Council to meet its levels of service.	There are several areas where Council needs to improve its knowledge and assessments but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.
Growth Forecasts and Waste Volumes	That the district will grow as forecast in the Growth Demand and Supply Model (refer to Appendix F).	The forecast figures have been used to determine the anticipated waste volumes and priorities. If the growth is significantly different it will have a significant impact as waste volumes have been assumed as directly proportional to population growth. If higher, Council may need to advance capital projects. If it is lower, Council may have to defer planned works. Periods of growth provide additional waste volumes (and revenue) while slow or negative growth reduces volumes and revenue.
Timing of Capital Projects	That capital projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors such as: resource consents, funding and land purchase. Council tries to mitigate this issue by undertaking the consultation, investigation and design phases sufficiently in advance of the construction phase. If a delay occurs, it could have a significant effect on the level of service.

Assumption Type	Assumption	Discussion
Funding of Capital Projects	That any projects identified for subsidies will receive subsidy.	If subsidies are not secured, it may have significant effect on the levels of service as projects may be deferred due to lack of funding.
Accuracy of Capital Project Cost Estimates	That the capital project cost estimates are sufficiently accurate enough to determine the required funding level.	The risk of large under estimation is low; however the significance is moderate as Council may not be able to afford the true cost of the projects. Council tries to reduce the risk by including a standard contingency based on the projects lifecycle.
Changes in Legislation and Policy	That there will be no significant changes in legislation or policy.	The risk of significant change is high due to the changing nature of the government and politics. If significant changes occur it is likely to have a significant impact on the required expenditure. Council has not mitigated the effect of this.
Council's disaster fund reserves	That the level of funding held in Council's disaster fund reserves and available from insurance cover will be adequate to cover reinstatement following emergency events.	The risk of inadequate reserves and recovery from insurance claims would mean deferral of future capital projects to provide any financial shortfall required to cover reinstatement costs.
Council continue to dispose of waste at Eves Valley Landfill	That there will be no change to the current process of Council disposing to landfill at Eves Valley.	On-going disposal to Eves Valley Landfill will require significant capital expenditure over the period of the AMP. There is a possibility that Council may take some or all of the waste it collects to York Valley Landfill subject to the outcome of the joint WMMP being developed with Nelson City Council and discussions with that Council. If this occurs, the capital expenditure programme at the Eves Valley Landfill would change.
Uncertainty of landfill disposal income.	Income per tonne of refuse has been assumed at \$117.30 from year 1 of the AMP for Richmond. Mariri is \$128.80 per tonne, and Takaka, Murchison and Collingwood are \$134.55	The feasibility of full cost recovery for disposal by gate charges is constrained by the pricing policy of Nelson City Council. Agreement on a joint landfill disposal solution would enable better cost recovery.

The most significant capital projects and their significant uncertainties are listed in Appendix Q.

9.4 Risk Management

Council's risk management approach is described in detail in Appendix Q.

This approach includes risk management at an organisational level (Level 1). The treatment measures and outcomes of the organisational level risk management are included within the LTP.

At an asset group level (Level 2), Council has identified 18 high risks and planned mitigations measures to reduce these risks to four high risks. Council has planned controls for the remaining four high risks but even with the controls, they remain high. Council has decided to accept these risks. These are listed in Table 9-4.

Table 9-4: Significant Risks and Control Measures

Risk Description	Current Control	Proposed Control	Target Risk Level
Resources: Insufficient or inappropriately trained resources to respond to emergency (contractor, council, consultant).	Contractual requirements.	Monitor.	HIGH
Iwi: Ineffective relationship impacts on renewal of resource consents.	Regular meetings.	Monitor.	HIGH
Fire: Landfill fire - inability to fight, closure of site.	Landfill Management Plan.	Operate at alternative sites.	HIGH
Fire: Damage to infrastructure.	Firefighting equipment. LAPP insurance.	Review contractual risk provisions and insurance provisions.	HIGH

Council has also identified and assessed critical assets (Level 3), the physical risks to these assets and the measures in place to address the risks to the asset. This has led to a list of projects to mitigate the risks to acceptable levels. This includes:

- investigation into the Joint Waste Management and Minimisation Plan with Nelson City Council
- improve forecasting and data collection.

9.5 Improvement Plan

This Activity Management Plan document was subject to a peer review in its Draft format by Waugh Infrastructure Management Ltd in October 2011. The document was reviewed for compliance with the requirements of the LGA 2002. The findings and suggestions were assessed and prioritised by the asset management team and either implemented for the final version of the document or added to the Improvement Plan.

Development of the improvement plan is discussed in Appendix V. It includes a table (Table V-3) of planned improvements that are still to be implemented and information on how they have been budgeted. It is a snapshot of the improvement plan as at February 2012 and includes. It is intended that the Improvement Plan is continually updated and monitored as a live document.

Version 4 of this document and the Improvement Plan was then reviewed a final time by Waugh Infrastructure Management Ltd in May 2012. The report produced has been included in Appendix V along with key improvements that have been achieved since the 2009 AMP.

10 SUMMARY OF COST FOR ACTIVITY

The following figures have been generated from the Funding Impact Statement held in Appendix L and the Public Debt and Loan Servicing Cost information held in Appendix K. Further detail is held in Appendix E, F and I for operating and maintenance, new capital and renewal costs respectively. All of the following graphs include inflation.

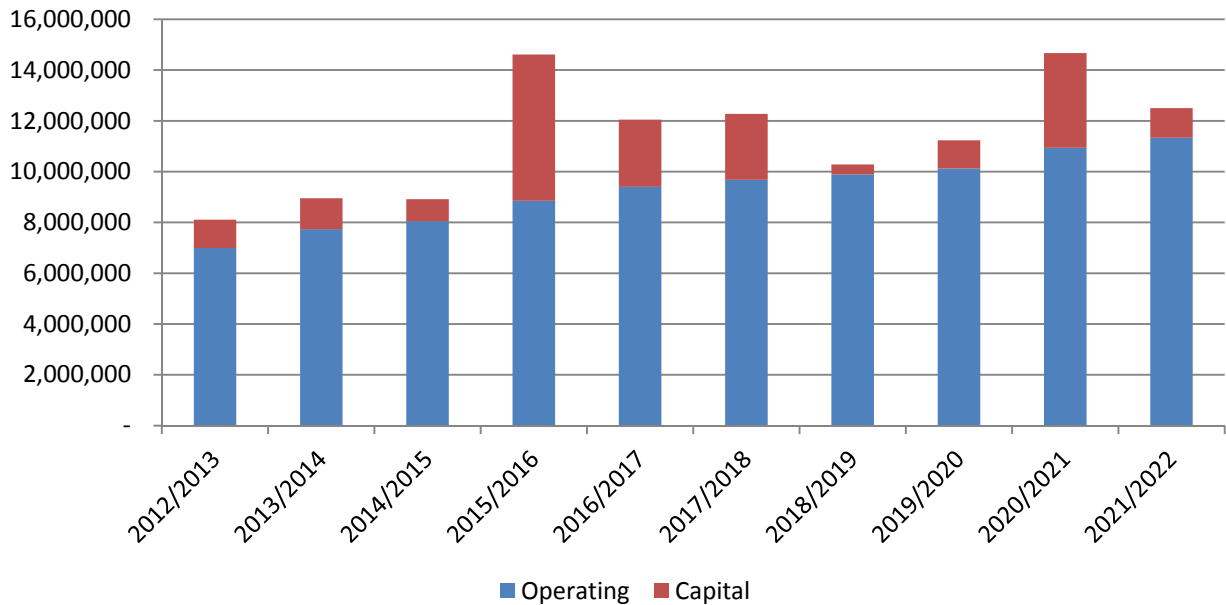


Figure 10-1: Total Expenditure

- Operating expenditure increases from \$7.0 to \$11.3 million over the 10 year period. This is due to inflation, increase loan servicing costs and network growth.

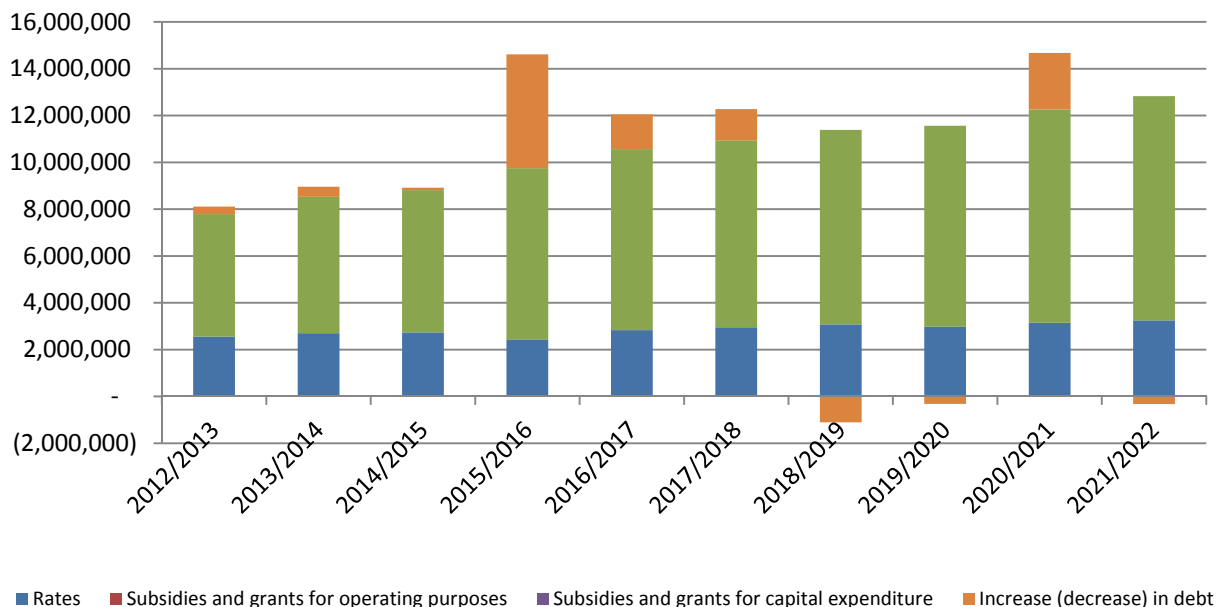


Figure 10-2: Total Income

- The income proposed for the next 10 years corresponds with the proposed expenditure in Figure 10-1.
- Increases in Local authorities fuel tax, fines, infringement fees and other receipts account for the majority of the increase in income. Debt increases are in conjunction with major capital projects

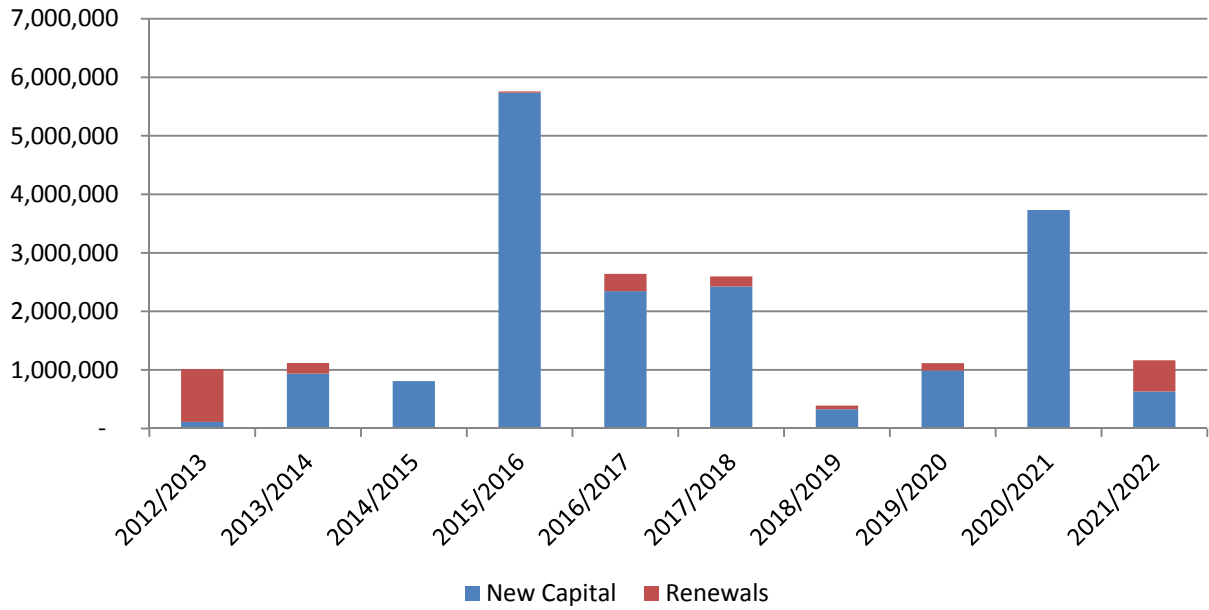


Figure 10-3: Capital Expenditure

- The majority of the capital expenditure is targeted at improving the level of service of existing assets.
- The peak in expenditure in 2015/2016 is primarily accounted for by the Stage 3 development to the Eves Valley landfill. Other significant projects in this ten year period are detailed in Table 8-1.

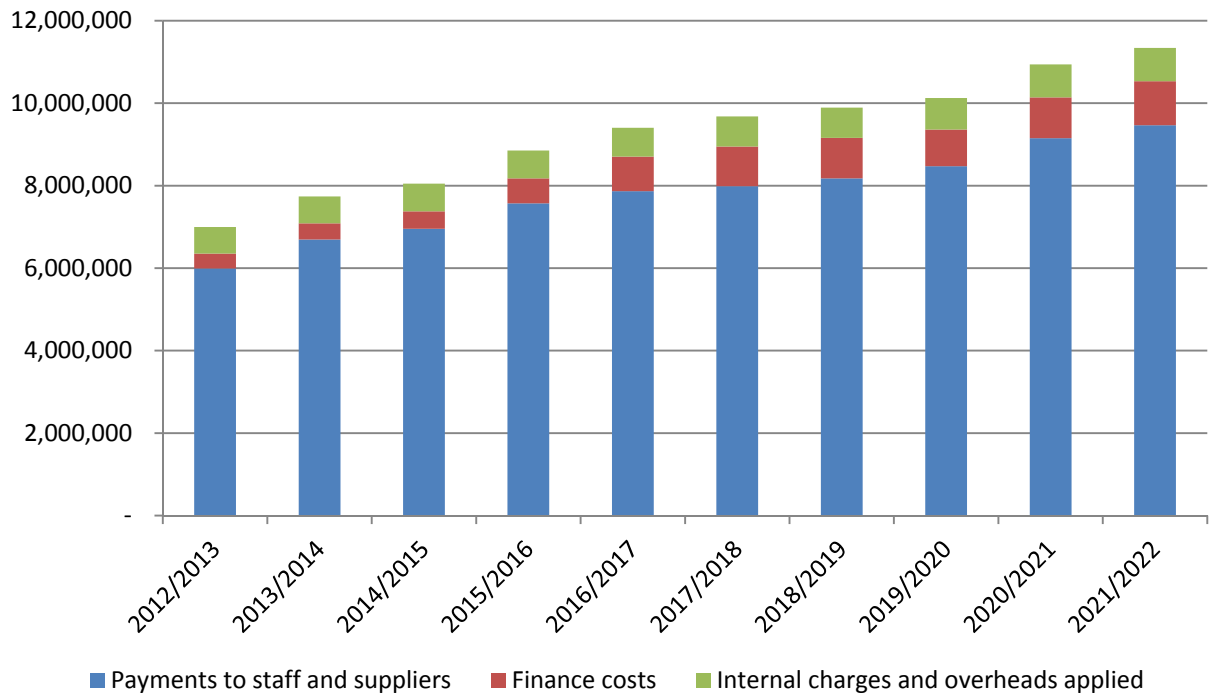


Figure 10-4: Operating Expenditure

- The Payments to Staff and Suppliers includes maintenance contract costs and professional service fees.
- Finance costs increase over the next 10 years due to an increase in the level of debt shown in Figure 10-5.

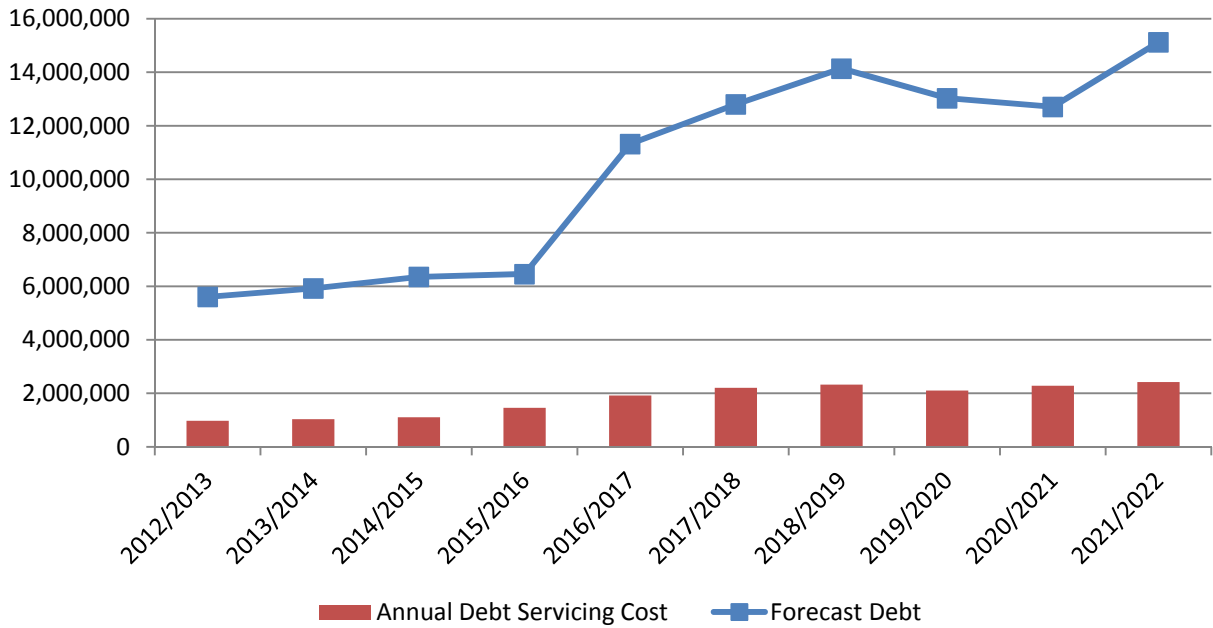


Figure 10-5: Debt

- Council's debt associated with the Solid Waste activity is forecast to increase from \$5.6 to \$15.1 million over the next 10 years. This will also increase the debt servicing costs as shown.

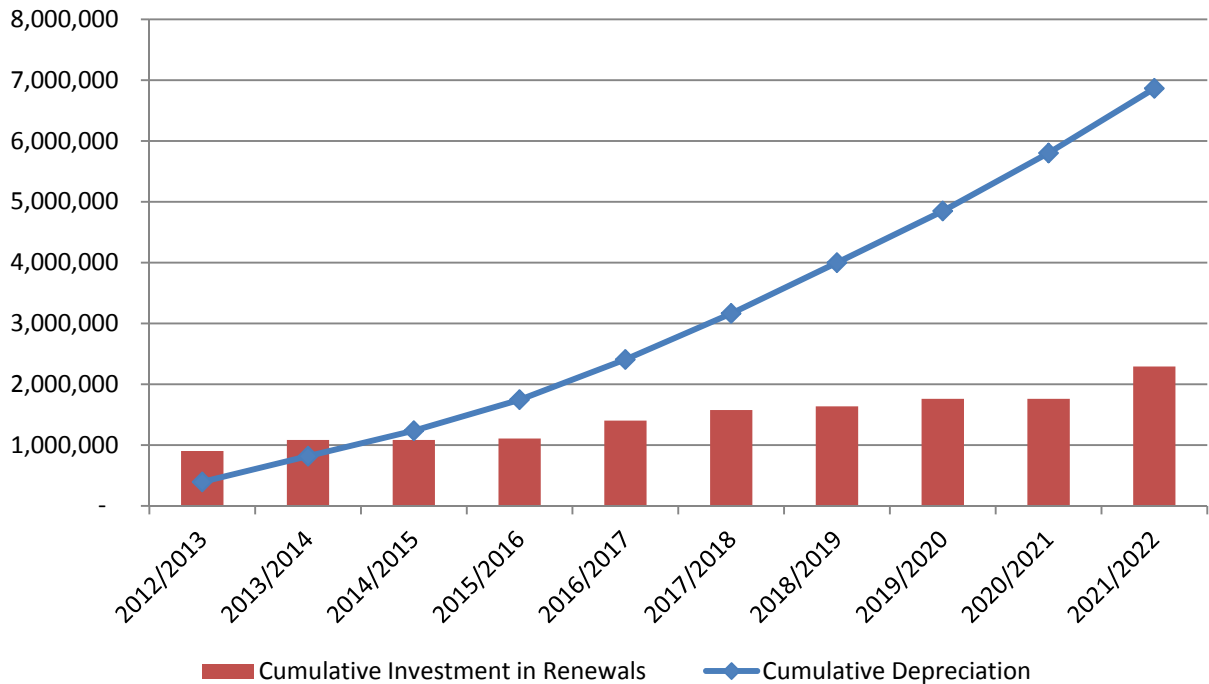


Figure 10-6: Investment in Renewals

- The investment in renewals appears to be adequate for the next five years before falling well below depreciation levels
- The above figure covers a relatively short time period when compared with the useful life span of the solid waste assets. The apparent lack of renewals will be further investigated when Council reviews its renewals strategy.