



ANNUAL REPORT FOR WHANGAREI DISTRICT COUNCIL

1 July 2022 to 30 June 2023

For the attention of: Simon Weston, Chief Executive Officer, Whangarei District Council

Introduction

The Northland Regional Landfill Limited Partnership (NRLLP) is operated under a limited partnership agreement between the limited partners Whangarei District Council (WDC) (50%) and Northland Waste Limited (NWL) (50%). The Limited Partnership is a Council Controlled Trading Organisation (CCTO) as defined in the Local Government Act (LGA).

The LGA requires that WDC reports annually on the performance of its Council Controlled Organisations.

The purpose of this report is to report the performance of the CCTO for the year from 1 July 2022 to 30 June 2023.

Limitations

NRLLP operates in a competitive commercial market and therefore disclosure of commercially sensitive information normally required under Sections 67, 68 and 69 of the LGA would prejudice NRLLP's commercial position. Section 71 of the LGA permits WDC to withhold information that would be withheld under an application under Local Government Official Information and Meetings Act (LGOIMA). Specifically, clauses under section 7, "Other reasons for withholding official information", (2) (h), (i) and (j) apply. For this reason, commercially sensitive information has been withheld from this Annual Report.

Background

WDC was the former owner of the Re:Sort Resource Recovery Park and the Puwera Landfill properties. The properties were sold to the Limited Partnership on 1 July 2009.

1.1 Description of the Business

Management and Operations

NRLLP's day-to-day operational activities are managed by Whangarei Waste Limited (WWL) as general partner. WWL is jointly owned by WDC and NWL. WWL reports at least annually to the NRLLP Advisory Committee.

The main activity of the Partnership is to operate the Puwera Landfill and Re:Sort to provide waste disposal facilities.

Quay Contracting 2009 Limited (QCL) (a related company to NWL) has a Management Agreement with WWL to manage Re:Sort and the Puwera Landfill.

Waste Streams

Waste inputs into the Puwera landfill and Re:Sort are sourced from:

- Waste and recyclables from domestic and commercial customers in the Whangarei District into Re:Sort.
- Waste and recyclables from kerbside refuse collections, rural transfer stations and litter collections in the Whangarei District.

- Waste and recyclables collected from throughout the Northland region and Northern Auckland by NWL and associated companies.
- Domestic and commercial waste collected by private operators within the Whangarei District (including NWL).
- Puwera Landfill also receives waste directly from other licensed contractors from throughout Northland.

Landfill Capacity

Construction to create increased capacity (air space) is demand driven with adequate air space always maintained. Fraser Thomas Consultants have been engaged to design the staging for the construction and Reyburn and Bryant have been engaged to provide quantity surveying services and as built plans for the completed work. WWL manages the staging for the construction and the construction contractual arrangements.

Landfill cell 5a has had the base area of the cell lined and during this year work was started on cell 5b with the sub liner drainage partially completed. Cell 5b liner will be completed and filling will start later in 2023. Cell 5b will be filled first and then operations will move to cell 5a with filling expected to be completed about 2028 or 2029. Following that, rather than proceed to stage 6, that will probably be left and overfilling will proceed on top of the presently filled stages 1 to 4. A portion of overfilling these previous stages is presently occurring while awaiting stage 5b.

Consents

Puwera Landfill is consented for purpose and operates under Consent CON20010908001 administered by the Northland Regional Council. Fraser Thomas Consultants provide advice and monitoring services required for the landfill operations.

The Limited Partners have approved making application for consent to extend the landfill footprint beyond the current consented landfill area. This is on land owned by the partnership adjacent to the present consented area.

Performance for Year Ended 30 June 2023

1.2 Summary

NRLLP has had a satisfactory year with annual tonnage volumes again consistent with recent years for both the Landfill and Re:Sort. Revenue increased slightly over the previous year. In addition to the capital expenditure, cash distributions have been made to partners during the year. Projections indicate continued returns to Partners in the foreseeable future, subject to any further unbudgeted capital expenditure.

1.3 Performance compared to the Statement of Intent

The 2022/23 Statement of Intent sets the objectives for the operation of the Partnership, and they are all proceeding satisfactorily.

Statement of Intent A.6 Goals and Objectives 2022/23

Specific major focus for years ended 30 June 2023

- Operate and manage Re:Sort RRP and Puwera landfill in accordance with the management agreement and consents
Achieved
- Diverting re-usable and recyclable material from Re:Sort general waste stream where financially viable
Achieved
- Manage the financial aspects of the organisation to ensure a satisfactory annual distribution to the partners

Achieved

- Continue development of the fifth cell construction stage at the landfill and ensure a minimum of six months capacity is always available

Achieved

- Proceed with the landfill footprint extension Resource Consent application

Achieved – this is a multi-year project that will continue until the application has been submitted and decision received.

- For 2023 construct the proposed Gas to Energy (electricity) plant at Puwera landfill as approved late in 2021

Achieved – the gas to electricity plant was installed with initial commissioning due September 2023

Statement of Intent A.7 Performance Targets and Measures

Table 1

SOI Target	Measure
To open both the Puwera Landfill and Re:Sort facilities for a minimum of 40 hours each week.	Achieved - NRLLP has exceeded this performance target by operating Puwera Landfill and Re:Sort facilities for more than 40 hours per week.
Achieve no notifiable health and safety incidents (as defined by Worksafe NZ) occurring at all operational sites owned by NRLLP.	Achieved
Ensure Re:Sort facilitates a minimum of 40% diversion away from landfill of all material being handled through the site.	Achieved - recyclable material has been sold both locally and nationally, green waste is processed locally and other innovations to divert materials from landfill include reclamation and sale of reusable goods and materials.
Maintain compaction of 0.7 tonnes of placed refuse per cubic metre of airspace used.	Achieved - Current compaction level exceeds the targeted level and has prolonged the useful life of each cell constructed.
Ensure 6 months landfill capacity is maintained at all times.	Achieved - cell construction has been tailored to capacity projections and capacity has always been maintained for day-to-day operations.
Achieve a minimum of 70% landfill gas destruction.	Achieved - gas infrastructure and capping has been programmed to achieve optimum landfill gas destruction and exceeds the objective.
An additional target for 2023 is the successful completion of the Puwera gas to energy plant project with some electricity generated from landfill gas	Not achieved – the gas to energy plant has been built, but initial commissioning and generation of electricity is not expected until September 2023. Ongoing generation of electricity is anticipated late 2024.

Statement of Intent A.8 Information to be provided throughout the financial year

The Half Yearly Report, Annual Financial Reports, Annual Narrative Report, Annual Financial Estimates and Draft and Final Statements of Intent were all completed as required in a timely fashion.

The 2022/23 Audit of the Financial Statements is expected to be completed in September 2023.

Statement of Intent Appendix 1 Long term Objectives for the Limited Partnership

The WWL NRLLP Shareholders/Limited Partnership Agreement outlines the long-term objectives. Having reviewed these, NRLLP continues to comply and meet with the objectives set out.

Other Matters

Financial

NRLLP has generated sufficient cashflow to increase the capacity of Puwera Landfill without requiring further funding injection from the Partners. Cell development costs are met from operating cash flows with other capital developments like the gas to electricity plant being funded by bank finance.

NRLLP is fully compliant with banking covenants.

As stated in 2022, with the government lifting the Landfill Levy from \$10 to \$60 over the next few years and other changes causing considerable increase in the Carbon Credit (NZU's) prices (currently priced at \$68.50 compared with \$23.20 in April 2020 and is expected to continue increasing), gate prices will have to increase substantially annually over the next few years. Our budgeting indicates that these two factors combined with inflation will result in waste prices having to increase by more than 30% by 2026.

During the year the Directors reviewed the founding documents of the NRLLP Limited Partnership Agreement, the WWL Constitution and the WWL NRLLP Shareholders/Limited Partnership Agreement making some minor changes to match how the business operates. Confirmation by the Limited Partners has just been received and registration is proceeding.

Whole of Life cash flows with bi annual review, have been prepared for the presently consented landfill area so the Board can ensure cash flow will be prudently applied to debt reduction and set aside during the cell overfilling period (no cell construction costs), to meet post landfill closure cash needs. A significant sum will be needed.

Non-Financial

The annual tonnage into Puwera enables NRLLP to achieve an operational scale sufficient to ensure ongoing viability. NWL is committed to providing tonnage it secures from Whangarei and a significant portion of its tonnage from elsewhere to Puwera Landfill.

The Puwera Landfill has achieved effective waste disposal provision for the region from Northern Auckland to the Far North. Puwera Landfill provides a competitive alternative for these regions. Re:Sort continues to provide services to the local community. Tonnages have increased reflecting a growing population and increased business activities. It also continues to provide a local collection point for WDC recycling collections and domestic and commercial customers, and separation of recycling and green waste enabling minimization of waste and associated environmental benefits of waste diversion.

A contract was executed for the design and plant supply of a combustion plant to utilise the landfill gas for the generation of electricity. The plant has been built with initial commissioning scheduled for early September 2023. Full-time generation of electricity is not expected until 2024 once connections have been established to the grid and other receivers of the electricity.

A new weighbridge has been installed at Puwera to handle diverted products, which initially will be wood waste, and was commissioned in September 2022.

The Shareholder Advisory Committee met in April and the Directors met with Councillors in May.

NRLLP Recycling

NRLLP is committed to maximising recycling from waste streams. Diversion of waste streams continue to be a priority for the venture.

Paper, Glass, Tins, Aluminium and Plastics

- Are collected on the kerbside as part of the WDC domestic recycling collections. These materials are dropped at a new dedicated area that has been developed for consolidation and packing into the recycling compactor at Re:Sort.
- Can also be dropped off at a dedicated recycling wall free of charge.
- A range of different tyres are accepted for a fee. Tyres are sent to processing facilities in Auckland.

Gas Bottles

- Are accepted for a fee before being sent away for degassing

Greenwaste

- Is dropped for a fee at Re:Sort.
- The Partners have developed on site processing of greenwaste with the main objective being to reduce methane emissions and turn this waste into valuable compost. Greenwaste is being aggregated at Re:Sort and currently composted by a third party.

Hazardous waste (up to 20L)

- Is accepted in partnership with Northland Regional Council. Items can be dropped off as part of an amnesty day once a month.

‘The Last Re:Sort Reuse Shop’

- The Re:Sort facility has an onsite, purpose built indoor shop which has items that have been diverted from landfill and are available for sale. The public can come and reuse non-treated timber and other construction materials promoting the ‘reuse’ of these materials higher into the waste hierarchy. With continually increasing visitor numbers, the Re:Sort shop continues to be a successful initiative within the community. Local community groups benefit with proceeds of diverted materials passed on each month to a charity chosen by the community. Some of the community groups who have so far benefited from this process include Food Rescue Northland, Canteen, Women’s Refuge, Northland MS and the Northland Rescue Helicopter.
- The Last Re:Sort shop located inside Re:Sort can be lauded for the continued growth in customers and volume of material sold, at times leaving the site barren and on the hunt for quality products from within the refuse.

Construction and Demolition waste

- The Partners recognised the need to shift focus to the 60% of the waste stream currently produced from construction and demolition activities. There are dedicated staff in the reception pit at Re:Sort separating recyclable products; with reusable building materials and non-treated timber being sold onsite and treated wood being recovered as a fuel alternative to coal in cement production.
- Operators (pit workers) on site have implemented additional safety measures to ensure better protection between staff and machinery.
- The Partners have established a purpose-built wood processing facility to recover treated timber in which wood is chipped and reused as an alternative fuel source in cement production. This initiative has improved CO2 emissions as a fuel alternative to coal for use in cement production and has reduced waste to Landfill. During the year, the facility was moved to a larger and better located site at Puwera utilising the new weighbridge.
- This initiative has been expanded into the greater Northland area and have conducted trials in the North Auckland region by NWL at their facilities.. We are looking forward to continuing the expansion of this initiative in Northland via the NWL Russell Landfill and Transfer Station facility and in North Auckland via a new purpose-built NWL Resource Recovery Centre in Warkworth by turning the communities waste into a usable and financially viable resource.
- A recently announced Central Government fund should be able to partially fund further expansion of the C&D facility to improve material sorting and efficiency. Consideration is being given to this.

E-Waste, TVs, Whiteware and Electronic Goods

- NRLLP continues its commitment to removing e-waste material from the general waste stream and recycle over 500 CRT screens, 400 Flat screens, and many tonnes of other E-waste through the Abilities Group.
- Goods are recovered by staff working in the floor pit area and processed for scrap.
- Ferrous and nonferrous metals are separated out as part of the recovery work undertaken on the floor pit area

- Consideration is being given to whether the partnership can expand to further processing e-waste.

Organic Processing

Options for processing domestic and commercial organic waste (including foodwaste) are being considered by the Directors. A recently announced Central Government fund should be able to partially fund this.

Conclusion

NRLLP has performed well this year against performance measures set out in the Statement of Intent and as indicated under the “Other Matters” heading. A summary of the performance achieved is below:

- Distributions achieved for the Partners
- Complied with banking covenants
- Operated facilities effectively for the region
- Ongoing viability has been achieved through increasing the scale of operations
- Increasing market share achieved by providing competitive alternative for Auckland, Kaipara and Far North regions
- Proceeding with the landfill gas to electricity plant
- Continuing to pursue diversion from waste streams and recycling opportunities.

There have been no material changes in the activities of NRLLP and the nature of the partnership’s business has not changed during the year.

No Directors remuneration is paid by the Partnership. Any remuneration is the responsibility of the partners own business entities.

The Directors are pleased with the results for the year. Partners’ distributions will continue to be paid in ensuing years.

For and on behalf of the Board

Warwick Syers

Chairman

Whangarei Waste Ltd and Northland Regional Landfill Limited Partnership

31st August 2023