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# Asset Manager's Report - October

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## WATER/WASTEWATER

### Urban Sewer

The network and treatment plant functioned trouble-free during the month

#### Sewer extensions

The final design and costing for the stage 1 Timaru Road Sewer Extension proposal is to be presented to the ratepayers at a public meeting to be held at the Local Government Centre on the 20<sup>th</sup> of October.

#### Waste Water Treatment Plant

A report has been completed on the Operations, Maintenance and Performance Review of the WWTP. The next phase of the work will address the fine tuning/changing of the ECan specifications for the testing regime.

### Water Schemes

#### The Urban Water Scheme

The Public Health Risk Management Plan for the scheme has now been approved by the Ministry of Health. The next round of funding applications to prepare for will be in February 2009.

Water consumption in town has increased, and the Timaru Road bore was used to boost the supply twice during the past month.

#### Rural Water Schemes

##### **Cannington-Motukaika**

The scheme did not have any major problems.

##### **Otaio-Makikihi**

The scheme did not have any major problems in the network or water quality.

##### **Hook Waituna**

During the month there was another incident of a heavy rainfall requiring the intake to be shut down for over a day.

No major incidents; all water samples were OK.

##### **Lower Waihao**

Careless work on the road by a contractor caused the breakage of the 150mm AC gravity main. The resulting cost of repair was fully charged out.

No major problems in the scheme to report; all water samples were OK.

##### **Waikakahi**

Lab testing of raw water from the intake continued during the month. All samples indicate varying levels of E-Coli, with significant increase in the number of bacteria immediately after rainfall events. The nitrate levels remain consistently low.

The consultant for GSI Trading has informed us that their dairy operation commenced last month, following the assurance by ECan that the effluent discharge consent is being issued.

No major problems in the scheme; all water samples were OK.

### **Waihaorunga**

A new stand-by pump was purchased for the main pump station at Hurst Road. The new pump is of slightly higher capacity than the duty pump operating there, and the electrical controls are being modified to enable the easy switchover of pumps.

No major problems with water samples.

### **Downlands**

Nothing to report; information from Timaru DC on pipe valuation of the Waimate section of the network is awaited, so that LAPP insurance can be out in place.

## ROADING

### Work Completed

#### **Drainage**

Installation of three replacement and two additional culverts on Hillboro Road  
Culvert Installation Livesys Road 2 culverts, Scotts Bridge Road, Moorland Farm Settlement Road, Hakataramea Valley Road ,Hakataramea Pass Road 3 culverts and Milne Road.

Drainage maintenance Bluecliffs and Hillboro Roads

#### **Pavement Repairs**

Pre Reseal repairs on Talbot and Bluecliffs Roads

Edge repairs Gumtree Flat, Elephant Hill, Ikawai Middle, Otaio River, Waikakahi Valley, Esk Valley, Grays Crossing, Pakihi, Kapua and Crowes Roads

#### **Bridge Repairs**

Sewells Bridge Cannington Road and O'Brians Bridge Hakataramea Valley Road

Accident damage to kerbs and handrails

### Work Programmed

#### **Pavement Repairs**

Pavement and Drainage repairs are completed on roads programmed for resealing

#### **Drainage**

Daledew Road - drainage maintenance and Ford repairs. Culvert Replacement at the intersection of Parsonage Road and Painstown Road.

Waimate Hunter Road - drainage maintenance in preparation for resealing.

Foleys Road - drainage maintenance in preparation for resealing.

#### **Safety Project**

A blind brow on the reseal section of Bluecliffs Road (near Bluecliffs School Road) will be widened.

#### **Intersection Improvement**

Minor realignment and Stop control at the intersection of Sodwall and Tavistock Roads

**Unsealed Roads**

Minor storm damage repairs on Meyers Pass Road.

Daledew Road - Minor pavement maintenance and minor widening on corners.

**Resealing Contract 2008-09**

## Schedule of Roads

Road Name	Length km	Area m <sup>2</sup>
BLUECLIFFS	4.97	32,200
BLUECLIFFS	5.07	22,200
TALBOT	4.27	22,500
BRADDON ST BELWER TCE	0.27	1,300
WAIMATE HUNTER	3.44	22,300
BRADDON STREET	0.53	2,200
FOLEYS	1.30	7,900
PARSONAGE	1.42	9,800
WILKIN STREET	0.66	8,200
WILLIAMSTREET	0.55	5,600
DOBSON STREET	0.38	4,700
CHAMBERLAIN STREET	0.18	1,400
KNOTTINGLEY PARK	0.37	1,850
WAIHAO BACK RD		
INTERSECTIONS	0.24	1,700
FISHERIES	1.14	6,400
MORVEN GLENAVY	1.13	6,900
MORVEN GLENAVY	1.62	9,900
HAKATARAMEA VALLEY	2.53	15,400
<b>TOTAL</b>	<b>30</b>	<b>182,450</b>

Tenders for the resealing contract closed on 9 October, Four tenders were received. Approval of award "Contract 08/1 Resealing" is included as an agenda item.

**NZ Transport Agency Audit**

NZ Transport Agency has completed an audit of Council Financial and Contract records relating to Roothing Assisted Works Programmes, 2005/06, 2006/07, 2007/08.

The Audit checked:

- Financial Claims
- Land Transport Disbursement Account
- Transactions
- Retentions
- Procurement Procedures
- Contract Management
- Professional Services

Recommendations from Audit:

The in house Roothing professional services unit is required to have a surplus no more than 10% of the total operating costs. The NZ Transport Agency requires Council to repay the subsidised share of the surplus.

## Road Closure

The following road closure has been approved for the Silver Fern Rally.

Period of Closure – Tuesday 21 October 2008

From 12.30pm to 4.30pm

- McHenrys Road from end of seal to Meyers Pass Road.
- Meyers Pass Road.

From 1.45pm to 5.45pm

- Limestone Hills Road.
- Parkers Bush Road from Limestone Hills Road to Mill Road.

From 3.00pm to 7.00pm

- Backline Road from Sodwall Road to Motukaika Road.
- Motukaika Road from Backline Road to Galways Road.
- Galways Road from Motukaika Road to start of seal.

## Compensation for Sign Damage

Council has received compensation of \$600 from offenders involved in vandalism of road signs in the Waimate Area.

## Stormwater Asset Management Plan and Valuation Update

The three yearly update of the stormwater AMP together with a current asset valuation, as required by Audit NZ, should be completed by the time this report is received by Council.

## Glenavy Township Site Visit

R Moffat participated in the recent 7<sup>th</sup> Oct site visit to discuss road and Kerbing and Channelling issues in the community.

## Footpath/ Walking Cycling Policy

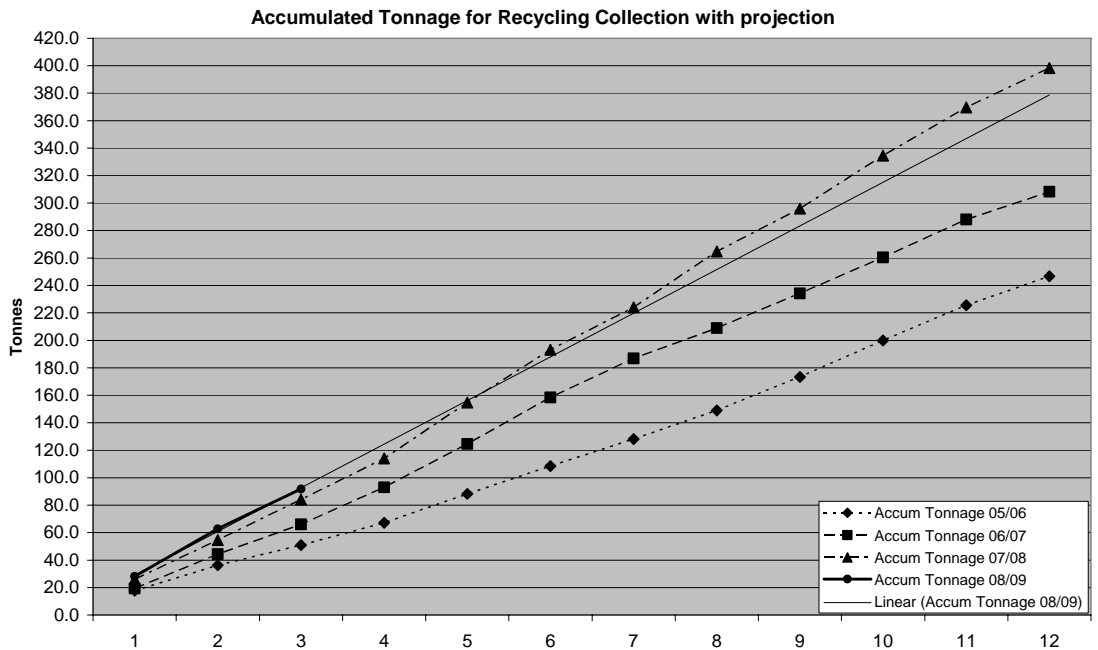
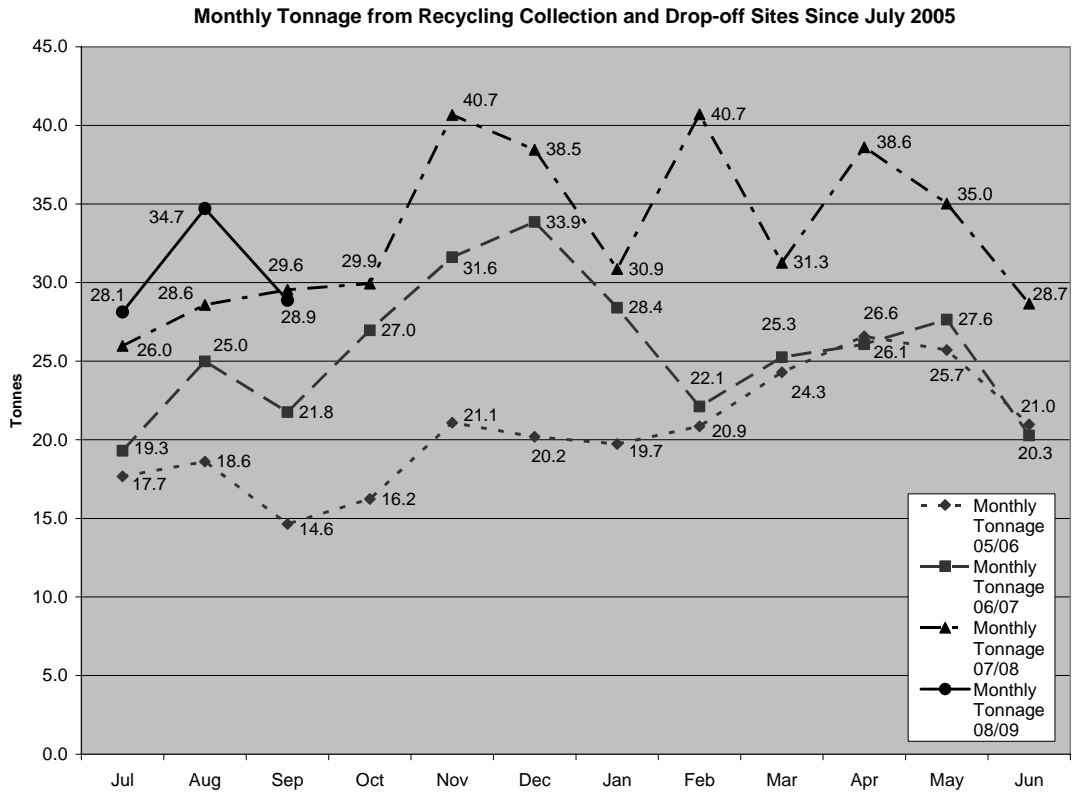
G Hamilton attended a presentation on the mechanism for attracting a grant (up to 75%) for developing a strategy, and for subsequent support funding of these modes. A separate summary report has been provided to the Portfolio Chairperson.

## WASTE

### Monthly Tonnage for Recycling Collection

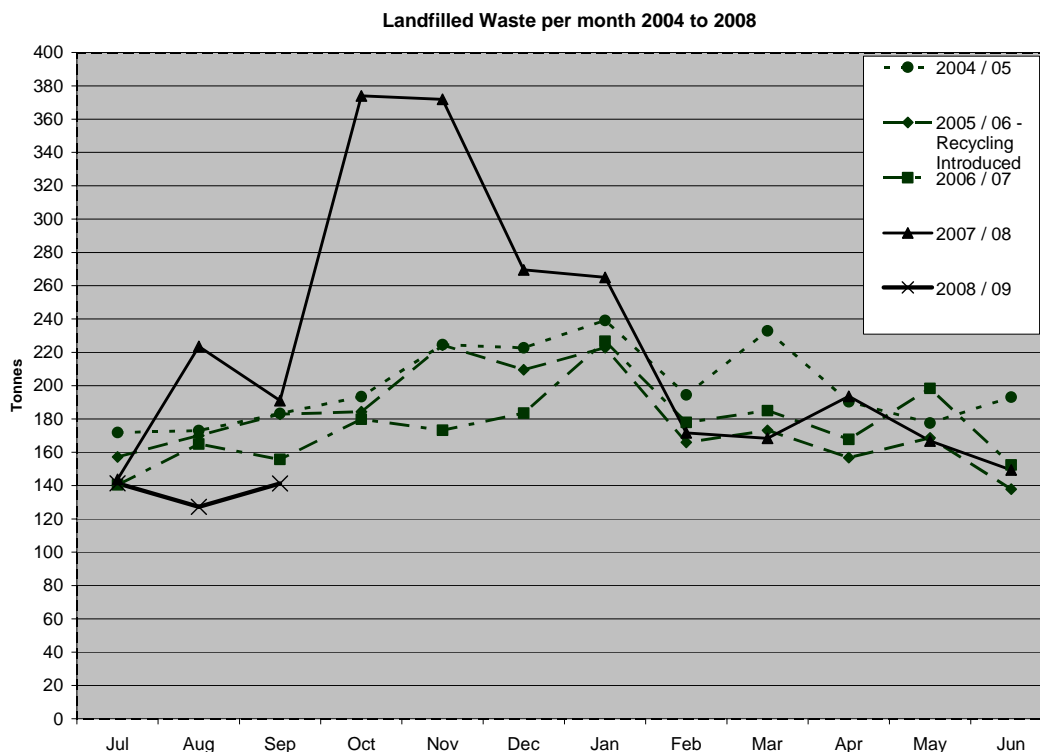
The tonnage of recyclables collected for September 2008 was 28.9 tonnes, slightly down on last year's comparable month of 29.6 tonnes.

The charts below compare the monthly and accumulative tonnages for the thirty nine months the recycling collection has been operating:



## Tonnage to Landfill

Tonnage to landfill for the month of September 2008 was 141.22 tonnes, compared with 191.00 tonnes for the comparable month last year, as recorded by the Timaru Landfill. If waste from Council services only is compared, by removing waste from NZ Dairies etc, there has been a slight increase for the month from 135.66 tonnes in 2007.



## Retender of Waste Collection Services

Staff has sought a consultant with specialist knowledge in the solid waste industry to advise on the consultation/tendering process to reshape all waste contracted services. It is anticipated this process will deliver the most cost effective outcome in the medium to longer term, given the new environment the waste industry is operating in. It is intended that the resultant options will be publicly consulted early in 2009.

## Solid Waste Asset Management Plan and Valuation Update

The three yearly update of the AMP together with a current asset valuation, as required by Audit NZ, should be completed by the time this report is received by Council.

## Closed Landfill Tests

We have been successful in reducing the follow-up annual testing required at three of the landfill sites and ECan have yet to complete their response to our submission for the remaining four sites.

## The Waste Minimisation Act 2008

The Waste Minimisation Act 2008 passed into law on 25 September 2008.

Attached is a summary of the Waste Minimisation Act 2008 in the form of a question and answer sheet on the issues addressed by the legislation. One of the main provisions of the Act, the introduction of a \$10 waste minimisation levy from 1 July 2009, has been anticipated in solid waste financial planning.

## General

**Staff Recognition.** At the recent NZWWA Annual Conference in Christchurch, Craig Wilson, our Apprentice Water Technician, won the Manukau Water Trainee of the Year Award. This is indeed an honour for Craig and entitles him to tool vouchers and a sponsored technical visit to Manukau City.

**Staff Departures.**

Graeme Hamilton has accepted a role as Manager Transportation Operations With Dunedin CC and leaves on 17<sup>th</sup> Oct 2008. This report concludes his input to Council, and he thanks the CEO and Council for the 5 years that he has had the privilege of serving as Asset Manager for the District.

Suresh Unni has accepted a role with the Grampians Wimmera Mallee Water Authority in Victoria and leaves on 28<sup>th</sup> Nov 2008. Suresh's significant contribution to the water and wastewater fields and his professionalism will be missed. Graeme Hamilton takes this opportunity to record his thanks to him for his three years of dedicated and professional service.

Also, at this time it is appropriate to place on record my thanks to the Asset Management Unit (AMU) staff for the teamwork and esprit de corp that they have exhibited across the many changes to arrive at this point.

In the interim, it is recognized that the increased workload will fall on the remainder of the AMU staff until replacement/alternate services support is in place.

Au revoir

**Graeme Hamilton**  
Asset Manager  
10<sup>th</sup> October 2008

## APPENDIX

# The Waste Minimisation Act

### i. What is the Waste Minimisation Act?

The Waste Minimisation Act deals specifically with waste. Its purpose is to encourage a reduction in the amount of waste we generate and dispose of in New Zealand and lessen the environmental harm of waste.

In a nutshell, the Act:

- puts a levy on all waste disposed of in a landfill, initially at \$10 per tonne
- helps and, when necessary makes, producers, brand owners, importers, retailers, consumers and other parties take responsibility for the environmental effects of their products – from 'cradle-to-grave'
- allows for regulations to be made making it mandatory for territorial authorities and others (for example, landfill operators) to report on waste to improve information on waste minimisation
- clarifies the roles and responsibilities of territorial authorities with respect to waste minimisation
- introduces a new Board to give independent advice to the Minister for the Environment on waste minimisation issues.

#### Why is this Act needed?

Without a greater commitment to increased sustainability in our use of resources, we risk not only damaging our environment, but we also put our economy at risk.

Because our population and consumption are predicted to grow, there is a need to substantially change the way we deal with waste in New Zealand.

The Waste Minimisation Act deals specifically with waste. It is a first for New Zealand and will be a big step towards zero waste and a sustainable New Zealand.

Until now, waste minimisation has largely been based on voluntary initiatives. But for New Zealand to move towards zero waste, dealing with waste needs a more concerted effort and the Act will assist with this.

#### How does this fit with the government's sustainability work?

If New Zealand wants to become a sustainable nation, reducing waste to landfill and using our resources in an efficient way is crucial.

The Act fits within the wider work that the government is undertaking to improve New Zealand's sustainability. Other initiatives currently underway are the Emissions Trading Scheme, work to update the New Zealand Transport Strategy and the improvement of the framework for managing freshwater resources.

This Act will provide benefits that go beyond waste minimisation. There will be economic incentives and rewards for those people who do 'the right thing'. And not in the least, the environment will gain from it as savings in waste, water and energy will contribute to better resource efficiency and less greenhouse gas emissions.

### **How is waste defined?**

The Act defines waste as 'material which is disposed of or discarded'. Material that is collected under commercial arrangements and other waste minimisation activities, such as scrap metal and some paper, is classified as 'diverted material' and not waste.

The Act defines waste minimisation as 'the reduction of waste and the reuse, recycling and recovery of waste and diverted material'.

## **ii. Waste levy**

### **Why does the Act introduce a waste levy?**

To achieve the goal of zero waste, extra funding is needed to set up new initiatives to minimise waste. The revenue from the levy will be used to help communities and businesses address waste issues.

A levy is based on the idea that the polluter pays.

### **What are the key points of the waste levy?**

- Funding will be available for initiatives that will help more New Zealanders reduce, reuse and recycle.
- The waste levy will come into force on 1 July 2009.
- The levy is initially set at \$10 per tonne (plus GST). This is estimated to generate \$31 million per year to improve waste minimisation.
- Landfill operators will have to pay the levy based on the weight of material disposed at landfill, but they may pass this cost on to households and business.
- At \$10 per tonne (plus GST), individual households will pay around 20c extra per rubbish bag. On average, this comes to about \$10 per household per year.
- At \$10 per tonne, it is estimated that businesses will pay \$57 (plus \$7 GST) on average per year.
- Households and business can minimise payment of the levy by reducing, reusing and recycling as much waste as possible, and thus keeping the amount of rubbish to a minimum. The revenue generated by the levy will be used to make it easier to reduce, reuse and recycle.
- Half of the money that is generated by the levy will go to territorial authorities, on a population basis, so that they can improve waste minimisation in their area.
- The remaining 50 per cent (minus administration costs) of the money will be put into a contestable fund. Local government, communities, businesses and other organisations can apply for funding from this fund for waste minimisation activities. The Minister for the Environment will review the levy

in 2011 and then every three years to see whether it is effective and adequate. It could be changed in value, apply to different disposal sites or types of material.

### **Why was the waste levy set at \$10 per tonne?**

The primary purpose of the levy is to raise revenue for waste minimisation projects. At \$10 per tonne it will provide sufficient revenue to make significant inroads into projects that reduce waste (the levy is subject to GST so those liable for the levy will actually pay \$11.25 per tonne.)

Other benefits of a \$10 per tonne levy are that it:

- is less likely to result in behaviour such as illegal dumping
- reduces the impact on businesses and households
- reduces the risk of inefficient spending of the revenue
- allows the effects, both positive and negative, resulting from the levy to be assessed.

### **Is the waste levy a tax?**

The levy is a form of tax. But unlike general taxes which are directed into a consolidated fund, the waste levy is set aside for specific purposes.

The revenue generated by the waste levy is tied to waste minimisation activities. This is either through territorial authorities' waste management and minimisation plans or distributed by the Minister for the Environment for projects that achieve waste minimisation.

### **Isn't this just adding to the costs of compliance for business?**

Those who dispose of waste will pay. Those that sort and recover waste will be able to avoid the cost, and effectively be rewarded for good behaviour.

Many companies already report that they divert over 50 per cent of their waste from landfill, and there are outstanding examples of companies diverting over 70 per cent of waste for beneficial reuse. These companies are not only reaping the benefits of behaving in an environmentally sound way, but are saving money at the same time.

The Act will encourage this behaviour and provide the funding and tools to help more businesses to adopt similar practices.

### **Will cleanfills be levied?**

Cleanfills are waste disposal sites where wastes that have no adverse effect on people and the environment (such as brick, soil, rock and concrete) are buried.

Under the Act, regulations could be made to extend the levy to cleanfills but that is not the immediate intention or priority.

### **Won't it create an incentive for more people to dump their rubbish illegally?**

Recycling services are often provided free of cost and access to recovery facilities and services that provide for a wider range of materials to be diverted appropriately are growing. For example, paint and cell phones can now be returned for reuse and recycling. Also at \$10 per tonne the additional cost is unlikely to create an incentive to dump rubbish illegally.

### **How can people apply for funding from the contestable fund?**

This is still to be determined. At this stage, it is expected that at some point applications will be called for once the levy is in place. These will then be evaluated against criteria and priorities. These criteria and priorities have yet to be determined, and a discussion document will be released to seek public feedback as to what they should be. The levy will come into force on 1 July 2009.

## **iii. Product stewardship**

### **What is product stewardship?**

One of the key elements of the Waste Minimisation Act is the principle of product stewardship to reduce waste from products. Throwing these products away can be harmful to people or the environment or be a waste of valuable resources.

Product stewardship means that producers, brand owners, importers, retailers, consumers and other parties take responsibility for the environmental effects of their products – from ‘cradle-to-grave’.

Product stewardship is based on the idea that the polluter pays, rather than the ratepayer, the taxpayer or the environment.

### **Is product stewardship legislation common internationally?**

Yes, it is. For example, the European Union, South Korea, Japan, China, Australia, and many states of the United States have this kind of legislation.

In New Zealand many businesses involved in products such as packaging, used oil, whiteware, refrigerants, farm plastics, tyres, cell phones and paint use the principle of product stewardship to reduce waste from these products on a voluntary basis.

An example of product stewardship is retailers taking back old and unwanted products from their customers, so that the products can be reused, recycled or disposed of properly. Another example is that a manufacturer chooses environmentally friendly materials when making a product, to make the product more recyclable.

### **Why is there a need for legislation if it is already happening?**

Businesses which already operate voluntary schemes have asked the government for support, specifically with legislation to catch free-riders, or companies that chose not to participate in a product stewardship scheme. The ability to do this will provide a level playing field for everyone in the industry.

Voluntary schemes have shown the ability for product stewardship approaches to address many products that have previously proved difficult and costly for consumers and councils to handle. But the results to date have also made it clear that there is the potential to achieve even more. The ability to make regulations to support schemes will allow New Zealand to get the full potential from product stewardship schemes, and will lead to a greater number of schemes with greater results for the environment.

## **What is going to happen to make this work in a practical sense?**

Industry will be asked to design and implement their own schemes, to allow flexibility in how problems are addressed and to ensure that those who know most about a product are involved in reducing its environmental impact.

The role of the government is to specify clear objectives for schemes that are challenging and will result in significant improvements to the environment. We will also assist scheme developers in making the schemes transparent, equitable and meeting the needs of the community.

The Act does not say what a product stewardship scheme would have to look like. It is up to businesses and other stakeholders to decide, and implement, what would work for them. All brands of a product don't necessarily have to be covered by the same scheme, and how each scheme meets its participants' responsibilities may differ – such as by takeback, deposits or redesigning the product.

The government will determine whether the schemes meet the requirements of a good scheme and are likely to meet the objectives set for them.

Examples of types of product stewardship schemes include:

- Take back schemes where manufacturers, brand owners, importers and/or retailers accept a product back for recovery or disposal at the end of its useful life
- Deposit/refund schemes where a consumer receives a refund of a deposit when they return the product for recycling or disposal at the end of its useful life
- Labelling to inform consumers about the environmental harm caused by the product during its life cycle, how to avoid or reduce that harm, provisions for recycling, or safe disposal of the product at the end of its useful life
- Product design requirements to reduce the waste produced and encourage recycling.

The Act will assist and reward businesses who develop voluntary product stewardship schemes for any product, for example through accreditation.

For products which have wastes that cause significant harm or there are significant benefits from reducing, reusing or recycling the product, the government will consult on whether there must be a product stewardship scheme in place to cover these products. Products that must have schemes in place are known as 'priority products' in the Act.

No products have been named in the Act as requiring schemes. The government will release a discussion document early 2009, and the public

comments received will assist in the Minister's decision to declare specific products as priority products.

The process for identifying and setting objectives for priority products is outlined in the Act.

### **Why does the Act not list priority products?**

Work to assess products against the criteria for priority products has not yet been performed. While voluntary work is underway on some significant wastes, this has not been on the basis of exactly the same criteria, and there has been no public consultation on mandating product stewardship for any products.

Also, the list of priority products is not intended to be static. The Act gives a framework to identify priority products as issues occur, and remove them if the issue is resolved.

The government will consult on the identification of priority products in 2009.

### **Will businesses pass on these costs to the consumer?**

Product stewardship is consistent with the 'polluter pays'-principle by including the costs of a product's environmental impact into the cost of the product. Without product stewardship, the costs of the environmental impact from a product are borne by society – ratepayers, taxpayers and the environment – rather than by the producer or consumer.

The producer may choose to pass the cost on to the consumer to recover their costs.

## **iv. Responsibilities for territorial authorities in relation to waste management**

### **What does the Act say about roles and responsibilities for territorial authorities?**

Until the Waste Minimisation Act came into place, waste was managed by legislation such as the Local Government Act 1974 and 2002, the RMA 1991, the Health Act 1956 and Hazardous Substance and new Organisms Act 1996. Although these statutes are comprehensive, there was no statute specifically about waste minimisation. The Waste Minimisation Act has brought the waste management responsibilities of territorial authorities into one Act.

The roles and responsibilities of territorial authorities in waste management and minimisation have also been clarified, particularly with respect to the process and content of waste management and minimisation plans.

Under the Act, all territorial authorities must have waste management and minimisation plans in place, including methods and activities for reducing waste before they are eligible to receive levy funding.

The waste plans will have to be reviewed every six years, starting from 2012. These plans will include an assessment of future demands for waste management in the district.

### **Why is the Minister able to direct territorial authorities to modify their waste management plans?**

Territorial authorities are responsible for administering waste management and minimisation within their area. The Minister for the Environment has identified a need for greater consistency across New Zealand in how this is done. Giving the Minister the power to direct territorial authorities to modify their waste management plans will improve consistency, encourage best practice and ensure that revenue from the collection of the waste levy is used to assist council performance in waste minimisation.

### **What will the consequence be for waste bylaws?**

The Act requires territorial authorities to make bylaws that are not inconsistent with their waste management and minimisation plans.

Under the new Act, local waste bylaws can:

- regulate the collection, transport and deposit of waste (ie only material discarded or disposed of). Bylaws can require those collecting, and transporting waste to be licensed. Conditions can be imposed on licences including bonds and a requirement to provide information.
- prescribe charges to be paid for the use of waste management and minimisation facilities provided, owned or operated by the council (this covers both waste as well as any diverted material using the facilities)
- control access to the waste management and minimisation facilities provided, owned or operated by the council (covers both waste as well as any diverted material using council facilities)
- prohibit the removal of waste intended for recycling from receptacles provided by the council.
- Councils can not, however, make by-laws regulating the collection, transport and deposit of diverted material (ie the material that is not discarded and disposed of). Similarly, they can not require the licensing of persons commercially collecting and transporting diverted material and impose bonds or information conditions on these operations.

## **v. Reporting**

### **Why does the Act introduce mandatory reporting requirements?**

It may become mandatory for territorial authorities and others (for example, operators of landfills) to report to the Ministry for the Environment on waste to improve information on waste minimisation.

There is a particular need for high-level information to track trends. Better information will help in measuring our progress against the targets the government has set for dealing with waste.

Waste information will be used by the Ministry to:

- measure progress in waste management and waste minimisation
- report against environmental indicators
- identify where additional infrastructure for waste minimisation is required.

### **What is the government doing to protect commercially sensitive information that is received from waste companies?**

The Ministry will only use the information for reporting purposes. The intent is to publish high-level data that demonstrates trends in New Zealand, in consultation with the government statistician.

### **Will new monitoring and reporting requirements place more costs on businesses and councils?**

While there are some costs associated with monitoring and reporting, much of the information will be easily accessible from standard company records. The information is also important in order to monitor progress and make good decisions.

## **vi. Governance**

### **What new governance elements are proposed?**

Until the Waste Minimisation Act was passed, the management of waste was covered by several Acts. The roles and responsibilities of territorial authorities in the management and minimisation of waste are now transferred into the new Waste Minimisation Act.

There will be new responsibilities for the Minister for the Environment and the Ministry for the Environment.

A new dedicated waste unit has been established within the Ministry for the Environment to implement the new legislation and to make links across existing legislation like the Resource Management Act 1991 and the Hazardous Substances and New Organisms Act 1996.

A waste advisory board will be established under the new Act to provide independent advice for the Minister and Ministry on waste minimisation issues.