

INVERCARGILL CITY COUNCIL MEETING 03/03/2020

PUBLIC EXCLUDED SESSION

PRESENT: Sir T R Shadbolt, KNZM JP
Cr R L Abbott
Cr R R Amundsen
Cr A J Arnold
Cr T M Biddle
Cr W S Clark
Cr A H Crackett
Cr P W Kett
Cr G D Lewis
Cr D J Ludlow
Cr I R Pottinger
Cr N D Skelt
Cr L F Soper

IN ATTENDANCE: Mrs C Hadley – Chief Executive
Mr C A McIntosh – Group Manager - Works and Services
Mr D Edwards – Group Manager – Environmental and Planning Services
Mr D Foster – Interim Group Manager – Finance and Corporate Services
Mr A Cameron – Strategic Advisor
Ms J Conway – Manager Governance and Administration
Ms R Suter – Manager Strategy and Policy
Mrs T Amarasingha – Governance Advisor
Ms H McLeod – Interim Team Leader – Communication Services
Ms L Kuresa – Governance Officer

2. [REDACTED]

[REDACTED]

3. [REDACTED]

[REDACTED]

4. [REDACTED]

[REDACTED]

5. [REDACTED]

[REDACTED]

6. [REDACTED]

[REDACTED]

7. [REDACTED]

[REDACTED]

[REDACTED]

8. **REGIONAL RECYCLABLES ACCEPTANCE SERVICE**
A2933756

Mr McIntosh took the meeting through the report.

Cr Clark commented that he had attended the last two WasteNet meetings and noted that there was no evidence that WasteNet Southland was seeking approval to run a procurement process for the Southland Regional collection service as set out in the report.

Cr Crackett explained that direction had been given to WasteNet and the minutes was passed that stated representatives were going back to their councils to seek feedback on what principles they wanted to conform to and arrive at a position, which was the intention of this report. From that feedback it would decide if the councils could work together to tender a contract or this Council tendered its own contract.

Cr Crackett said that this Council had an opportunity where SDE had funding already in place to start a recycling plant in Gore, which would take care of around 95% of plastics from the three councils. All they were waiting for to start that plant was to get some commitment from the Provincial Growth Fund as opposed to its sole funder at present, which was good news for the wider region.

The matter was discussed further and Mr McIntosh said that the question at hand was the guidelines from ICC to go back to WasteNet about future arrangements for recycling. The other issue was the temptation to have an arrangement with SDE directly from this Council but that could be premature.

It was tempting to think of an ongoing relationship with SDE based on the existing contract and in the process that led up to the procurement last year, SDE made it clear that they did not want to carry on with the existing contract. He had heard around that table that this Council wants to continue to work with SDE, which had a large amount of uncertainty around what that would entail, what service would be provided and what the cost would be. At the moment, SDE had a major problem with the disposing of the paper fibre because that market was closed. For the disposal of that material after it had been processed would be in the order of \$300,000 a year to take it to landfill disposal. Those were all the factors that Council needed to discuss at a later date if WasteNet received advice from its three councils that there was no prospect of finding a mutually beneficial solution. He was not able to give the legal risks around this other than the legal advice previously presented around the risk of litigation that may arise as a result of the RFP process.

Mr Cameron said that there would be an issue if Council went back to the market for any reason to pass a resolution to work with SDE, as Council would be subject to whatever terms SDE offered because Council precluded the market of making that resolution.

Cr Clark noted that councillors were getting nervous about what a single contract with SDE would look like and said that this Council would inherit the \$[REDACTED] million contract. He had spoken to SDE and they were aware that if Council a certain percentage of volume in the costs, one of the contributing factors was that it would skew the figures because the Regional WasteNet contract with SDE was based on population rates, and while the district paid about 32%, the figures at the plant showed that around 48% of the rubbish was from the district, and this Council was paying for that. He was certain that this Council would receive a service agreement from the other two councils. He commented that the issue of \$300,000 per year for the disposal of paper and cardboard was not SDE's problem. The contamination of glass was at the front-end of the kerbside and not through the recycling plant. The fact that it was contaminated meant that there was no market for cardboard and paper and even when that market opened up, this Council would be at the back of the line because the contamination rate was too high.

The third recommendation read:

That Council gives clarity to Wastenet that it would like the contract to be with SDE. Council acknowledges that it will need to discuss what will be recycled and the cost.

The third recommendation was discussed further and it was agreed that the first two recommendations outlined in the report be put first.

Moved Cr Biddle, seconded Cr Pottinger and **RESOLVED** that the report "Regional Recyclables Acceptance Service" be received; and

That Council approves the principles (attached A2933757) and that these principles be forwarded to WasteNet as the direction Invercargill City Council wishes to see discussed.

Moved Cr Biddle, seconded Cr Pottinger and **RESOLVED** that Council gives clarity to Wastenet that it would like the contract to be with SDE. Council acknowledges that it will need to discuss what will be recycled and the cost.

The motion, now being put, was **RESOLVED** in the affirmative.

Note: Councillors Soper, Amundsen and Ludlow voted against the motion.

9. [Redacted text block]

10. [Redacted text block with bullet points]

4. [Redacted text block]

11. [Redacted text block]

[REDACTED]

Moved Cr Ludlow, seconded Cr Pottinger and **RESOLVED** that the meeting moves back in open meeting.