

**Civil Contractors New Zealand submission to Tasman District Council on draft Long Term Plan 2024-34**

**To:** Tasman District Council

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**About Civil Contractors New Zealand**

Founded in 1944, Civil Contractors New Zealand is an industry association representing the interests and aspirations of more than 840 member organisations, including 535 large, medium-sized, and small businesses in civil engineering, construction, and general contracting. Our 305 associate members provide valuable products, support, and services to contractor members.

Our members play a vital role in the development of our country, our economy, and our way of life. They build and maintain the roads connecting our cities and towns; they install and care for the water networks that bring fresh water to houses and wastewater to treatment plants; they install the cables that bring the internet to homes and businesses. These are services a modern and developed economy must have to compete efficiently in world markets and to deliver high living standards for all New Zealanders.

The broad civil construction industry employs more than 60,000 people and undertakes projects worth around \$10b to \$12b annually. More specifically, our organisation represents the contractors who carry out the physical construction works on country's roading, rail, port, and public transport networks.

We live and work in all communities across New Zealand, and have 12 branches across the country to provide regional representation for contractors, including an active and collaborative Nelson Marlborough Branch that engages regularly with Tasman District Council.

Tasman District Council is a significant client for our Nelson Marlborough Branch Members, and planning and regulatory decisions support and impact their businesses in turn.

CCNZ thanks Tasman District Council for the opportunity to submit on the Long Term Plan.

## **Executive summary**

Civil Contractors New Zealand believes this submission is important, and that costs will escalate significantly for no tangible value if the current provisions around waste management and quarrying stand.

It is important for TDC to recognise that increases in fees, royalties, levies and increased regulation should not be undertaken lightly, because this will impact regional infrastructure build costs and decrease the scale of work contractors are able to deliver.

This submission is not exhaustive due to the available time to respond to points within the plan, and instead looks to discuss key policy changes that will achieve better outcomes in the execution of the Long Term Plan.

In addition to the table of requested changes at the end of this submission, we request the council notes the following key points:

### **Waste minimisation and management of waste soil**

At issue is that the recent change in the maximum acceptable metals contamination threshold for spoil from earthworks, eg soil, earth and overburden.

Section 1.2 of the plan sets out the context for waste management and minimisation. Council has recently made decisions around what are “natural background concentrations” for metals that are naturally occurring in soils, significantly reducing these from what was previously considered acceptable.

Reducing the level of what is considered to be “natural” increases the amount of soil that does not fit within these limits, and consequently generates more waste soil, in turn sending clean soil that could be used for other purposes to landfill.

Council should be aware its regulatory decisions are having direct and immediate flow on effects to the amount of waste that is generated in the region, resulting in contrary outcomes to the Activity Goals of avoiding the creation of waste set out in Table 1 – council policy is effectively creating waste through improper classification of cleanfill as waste.

Soil that is produced by civil construction activities is a key resource, and this is recognised in the recent National Policy Statement for Highly Productive Land 2022. If a Council's policy/settings are not right, soil that could be re-used in the region as a resource will be disposed of as waste.

In addition, recent regulatory decisions have also led to a lack of facilities in the region that can accept cleanfill and managed fill. This has flow on consequences:

- a. Resulting in more waste soil being disposed of to Class 1 York Landfill, despite having a different risk profile for human health and environmental effects
- b. Dramatically increasing the costs of infrastructure projects and other developments, due to disposal to a class 1 landfill at higher disposal prices now being the only option.

- c. Increased emissions to cart the fill to an authorised location
- d. Reduced capacity at the landfill, which will fill up with cleanfill more quickly than anticipated
- e. Potentially, an increased risk of unauthorised 'fly tipping' of soil to avoid the increased cost

These issues are described on page 38 of the draft Waste Management and Minimisation Activity Management Plan 2024 – 2034, but no resolution is offered.

As proposed, this will lead to more waste disposal in landfills, and less positive repurposing of this waste as cleanfill, which provides capping materials for parks, sports fields and many other sites across the region.

We note the fundamental difference in land uses. Of necessity, infrastructure construction requires the moving of earth and rock. While some fill can be re-purposed on work sites, much material does not meet transport or water engineering specifications, meaning it must be taken off site.

A lack of planned sites for specific disposal of cleanfill will lead to higher emissions, less efficient infrastructure construction projects, and worse outcomes for the region. Such outcomes are undesirable if TDC is seeking effective waste minimisation, emissions reduction, and good value for money in constructing infrastructure projects.

Page 100 of the [Draft Group of Activities Information document](#) says: “We reduce the impact of landfill disposal by providing a wide range of other services to divert waste from landfill and reduce waste production and associated emissions.”

The long-term plans fail to provide for the above. This is because of the policy change discussed above. The principle of minimising waste is laudable, but we ask whether the change is based on science or principle, and what the basis for the change is. If there are no sites proposed for the management of cleanfill, and contractors are not supported to dispose of it in appropriate ways, the outcomes will either be inefficiency and greatly escalated cost, emissions and wear on the transport network, or fly-tipping at unapproved sites.

A proposed solution to this problem would be to reconsider the maximum “natural background” concentration in waste soil and like waste, noting the risks are minimal while the costs of disposing of this soil to landfill by treating it as contaminated waste are immense.

The Wellington region has a similar lack of cleanfill sites and faces the same problems of regulation without disposal sites, that has seen the region’s infrastructure construction costs massive increase to the point where many projects aren’t viable as a result. It’s important Tasman District Council avoids following a similar path.

Along with collaborating with industry on good solutions, this would enable TDC to meet aspirations of a circular economy (page 99), and its goal of avoiding the creation of waste (page 97).

## Waste Minimisation Plan

On page 4 the draft [Waste Minimisation Plan](#) calls for waste minimisation, as per the document title.

*Recommendation:* Amend the maximum acceptable natural background concentration on the basis of science, to achieve more repurposing of spoil from earthworks as cleanfill, and less disposal of the same to landfill.

### **Focus on contractor engagement and council-industry partnership**

When writing operational policy, eg for waste minimisation, it helps to engage with experienced practitioners in the field. Reading the draft plan leaves a strong impression that this did not occur.

CCNZ has canvassed our Nelson branch members, and it appears that there was little or no engagement with contractors prior to developing this approach re disposal of waste to landfill, or repurposing of waste as cleanfill. Although, to the council's credit, it did inform contractors of the coming changes.

The result at this stage is a draft plan that risks delivering a perverse outcome of carting relatively clean soil long distances, to landfill at increased cost, or carting it outside of the region, at increased cost, increased emissions, and decreased efficiency.

We are aware of the increases in the Waste Minimisation Levy, which are intended to be offset with council-industry partnerships on solutions. We question whether any facilities (i.e. planning for fill sites, soil washing facilities, or transfer stations) are being progressed at the moment.

*Recommendation:* More engagement with businesses holding expertise in relevant areas – i.e. earthmoving and civil engineering - before writing draft plan provisions, to improve the quality and workability of draft plans. A contractor-council working group could be established for this purpose.

### **Gravel and sand extraction from rivers**

While gravel and sand are finite resources and careful consideration around their use is important, Gravel and sand extraction is pivotal for regional infrastructure development, because aggregates are usually locally sourced of necessity, and these materials are usually not imported for cost/benefit reasons, and the cost of cartage. Aggregates are critical resources for construction, housing, and infrastructure projects.

CCNZ members undertake numerous activities throughout New Zealand including:

- Gravel extraction, both within riverbeds and within land-based quarries/pits;
- Aggregate processing and storage;
- Infrastructure development and maintenance activities, either directly or on behalf of third parties (including roading contracts for the State Highway network on behalf of Waka Kotahi, and local roads on behalf of the territorial authority);
- Asphalt and bitumen manufacture and bulk storage;
- Pre-cast concrete manufacture and storage;
- Hazardous substance use, transport and storage; and

- Ancillary activities including workshops, transport depots, storage yards, staff offices, and supporting infrastructure (including wastewater, stormwater, and potable water).

### **Increasing cost of gravel extraction**

As TDC knows, New Zealand has a time-honoured tradition of river gravel and sand extraction benefiting New Zealanders by:

- Providing cost-effective, high-quality aggregates for construction in communities, eg asphalt and concrete for roading
- Reducing flood risk from sediment-filled rivers to communities

It is accepted that river and environmental engineers will survey rivers and determine annual quotas for extraction, and changes to that may appear in relevant plans.

The TDC proposal to relocate / reposition river gravel reads as an activity that presents a cost, while avoiding a benefit. The “Draft Schedule of Fees and Charges 2024-2025 for consultation” includes a revised method of charging fees for gravel extraction when compared to previous years.

To prevent the activity altogether at places, as proposed, will have adverse consequences. The draft plan is unclear on whether it seeks to continue with gravel and sand extraction from rivers, including to achieve flood protection objectives, or prevent the activity.

*Recommendation:* Delete all reference to relocation / repositioning in the draft plan to focus TDC on enabling appropriate and responsible gravel and sand extraction.

As is the case for waste minimisation, CCNZ notes a lack of practical engagement with contractors involved in gravel and sand extraction from rivers prior to developing this plan.

This plan change will directly impact contractors and their customers, including TDC. Had engagement with local contractors occurred on this issue, it is possible TDC would have developed a more workable plan.

*Recommendation:* Engagement with practitioners on relevant topics would be useful for developing fit-for-purpose and useful plans.

Potential positive effects for river infrastructure are discussed from page 67. These are important to recognise, and they include economic benefits and related reduction of flood risk, both of which gravel and sand extraction provide.

Civil contractors also carry out earthworks where necessary to maintain riparian margins and where appropriate to maintain or improve amenity for the community.

The effects of river and gravel extraction on the environment also require management, as appropriate, and can include positive effects, such as reduced flood risk.

*Recommendation:* Further text that recognises the potential positive effects of river and gravel extraction, and riparian civil contracting works to stabilise riverbanks and berms.

## Cost of gravel extraction from rivers

We refer to the draft Schedule of Fees and Charges 2024-2025. This introduces a change in how fees are charged for gravel extraction.

The new fee structure proposes a significant change in approach, removing the two tier system that differentiated extraction from the river berm as opposed to the river bed. This is a significant distinction, given the quality of materials, risks involved and raw quality (direct river extraction is superior quality, and pre-cleaned). Cost escalation will inevitably pass to consumers, including TDC and the general public.

CCNZ supports TDC introducing a reasonable level of fees for gravel extraction, provided revenue gained is used for their intended purpose of contributing to broader river management, as opposed to being added to the general funding pool.

We oppose the removal of a bermland category from the fee settings, for the following reasons:

- There are greater risks associated with extracting gravel from the river environment compared with on shore, supporting a higher fee for this category of gravel extraction.
- There are higher costs in bermland gravel extraction because – compared with river gravels – this resource contains a wider range of particle sizes from rock to silt, requiring sorting and cleaning for commercialisation

*Recommendation:* Reintroduce two categories of fees for gravel extraction, one for the bermland, and one for rivers, because this approach better reflects the practice of gravel extraction, the different levels of environmental effects and risks, and relative costs of extraction and material processing.

## Detailed comments on policies

### Revenue & Financing Policy

Page	Statement	Comments	Relief
32	"... we plan to reduce waste to landfill by increasing diversion of dry waste and organic materials and promote waste reduction".  This diversion could be delivered by the Councils directly ..."	TDC policy changes have reclassified waste and increased volumes, reducing the options for disposal without creating options for industry to comply. This is contrary to the intent of the waste minimisation policy. The LTP provisions indicate a continuance of that approach.	The LTP should provide a solution if it is to be a "plan".

36	“The approach to river management places emphasis on channel management through gravel relocation/repositioning, and vegetation and land buffers on the rivers’ edge. The aim is to manage the river channel and catchment so there is less need to do hard engineering methods to prevent erosion”.	No mention of gravel extraction as an option for river management, or recognition of the practice of reducing flood risk through gravel extraction.	Recognise that gravel extraction is a necessity for development of the region, and gravel extraction is a river management tool.
38	“There is some scope for user charges including gravel extraction fees”.	This indicates that additional charges/levies may be imposed on gravel extraction to contribute to wider council river management policies.	Gravel extraction levies are high now. Further increases in gravel extraction fees will negatively impact consumers and end users, including council-funded infrastructure projects.

**Draft schedule of Fees & Charges: 2024 - 2025**

<b>Page</b>	<b>Statement</b>	<b>Comments</b>	<b>Relief</b>
2	Gravel/Shingle Extraction Fees areas now rationalised to where the effort is applied.	The statement does not recognise the inherent differences in effort or quality of the material and is not logical nor reasonable.	More effort is required for berm land (“ <i>land between edge of modelled 10-year flood inundation and river centre</i> ”) then extraction from land in rivers, and the charges should reflect that difference. Again, just increasing the cost to the end user.

3	Waste management “ <i>all fees and charges increased</i> ”.	The issue has been created by TDC’s approach to classification of waste categories. No solution has been provided by TDC – to the contrary, the problem is caused by TDC, and then charges increased to address the problem created by a lack of provision of appropriate fill sites, and inappropriate reclassification of material with minor metals content as contaminated.	Delete the increase in fees, as it will greatly increase the cost of infrastructure works.
20	Removal of bermland rate	Fails to consider effort cost vs value added.	Recognise that gravel extraction in bermland is different to river extraction – more effort to extract so the levy rate should be less – this would reflect the different efforts for different extraction areas and rehabilitation costs involved.

### **Infrastructure Strategy**

<b>Page</b>	<b>Statement</b>	<b>Comments</b>	<b>Relief</b>
83	Table 25: “preferred option to restrict extraction”.	This indicates a direction to prevent	As said previously, gravel is critical to the district – without it, development cannot



		gravel extraction from rivers	occur. It is not logical to “prefer” an option not to extract from rivers.
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### **Group Activities**

<b>Page</b>	<b>Statement</b>	<b>Comments</b>	<b>Relief</b>
97	Waste management and minimisation.  We aim to provide cost effective and sustainable ... services that avoid creation of waste, improve efficiency of resource use ...	Recent policy changes are having opposite effects, heading to creation of large stockpiles of fill, and promoting fly tipping with a lack of suitable locations for disposal of fill.	Provide in LTP to allocate funds to provide compliant options and consider ways in which waste can in fact be dealt with sustainably and cost effectively – hiking rates and reclassifying of waste categories alone will not achieve that.
102	“Our waste minimisation activities will continue to support specific communities and key sectors ... with a focus on certain products and wastes.	Support needs to be shown/provided to provide the facilities to sustainably achieve both waste minimisation and disposal. Current Council policies have made matters worse.	The LTP should provide funds to open new and sustainable disposal areas so that existing landfill is not filled up with cleanfill unnecessarily, at great cost to the ratepayer and regional infrastructure and development projects.

### **Rivers AMP**

<b>Page</b>	<b>Statement</b>	<b>Comments</b>	<b>Relief</b>
4	“... emphasis on channel management through gravel relocation/repositioning”.	This indicates that there is to be/will be no gravel extraction from rivers.	Allow for gravel extraction from rivers – the alternative is very costly, and lead to a considerable

			financial impact on end users.
19	Stakeholder engagement	<u>No</u> consultation has been had with CCNZ or its members, which are the businesses that perform gravel extraction works and riverbank maintenance, so are therefore major regional stakeholders.	Engage in meaningful consultation with industry so that Council can be aware of the effects/impacts of acting without input from stakeholders.
30	Gravel extraction	The page acknowledges that gravel is required, but other parts of the section indicate river extraction will be precluded.	Consistency – if acknowledging gravel is required adjust your plan to enable river gravel to be extracted. Recognise TDC is a major end user of gravel.
41	“Maintenance Contract - gravel relocation”	Alludes to gravel only being moved not extracted	Amend provisions to provide for gravel not only to be “relocated” but won for construction and end user use.
44	“allowing ... Gravel extraction only if current Mean Bed Levels are above historical MBLs for any particular site in the full ...”	There has been no consultation with key stakeholders.	Gravel is such an important resource for the region that consideration should be had, and hopefully agreement reached between Council and stakeholders so as to achieve a practical and sustainable outcome.

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Page	Statement	Comments	Relief
50	Gravel royalty	Council shows gravel royalties as an extra funding source which it will extract from contractors without consideration or effort and or cost.	TDC rates are already the highest in the country and the change proposed does not recognise quality, effort, or rehabilitation required to produce product. Council's alignment of rivers and bermland royalties fails to recognise this.
67	"Positive effects - amenity and recreation"	Council's approach is actively discouraging amenity and recreation enhancement and development.	Recognise in the plan that the positive effects are generated by the contractors' action and at their cost – reflect that by keeping royalties lower in level or maintain a berm land rate.



## Environment Plan

Page	Statement	Comments	Relief
32	Schedule of fees and charges - gravel extraction	Acknowledge gravel as a source of income, but then say alternative methods achieve little additional benefit.	Allow for discounts when positive benefits achieved, such as assisting river management, environmental benefit, and/or amenity and recreation benefit.

## Waste AMP

Page	Statement	Comments	Relief
4	Why we do it	Changes in TDC waste/Cleanfill processes have caused considerable problems for the construction industry through significant price increases.	Recognise the changes have caused significant difficulty and escalated cost, partner with industry to make plans to counter those problems.
18	Stakeholder engagement	There has been no engagement with relevant contractors or industry.	Recognise that there has been no consultation and engage with industry to work through solutions.
31	"we enable effective waste minimisation activities and services"	Recent changes have had the opposite effect.	Recognise that there is a problem and engage with stakeholders to create those " <i>effective waste minimisation activities and services</i> ".
38	"Recent discussions with the civil	Mentions our issue but comes up with no solution	Recognise there is a problem, and engage with industry and

	construction industry.....”		stakeholders to improve efficiency and create “ <i>effective waste minimisation activities and services</i> ”.
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### Conclusion

Thank you once again for the opportunity to make this submission.

CCNZ stands ready to support the work of Tasman District Council in resolving the significant issues we have mentioned above.

Kind regards,

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