

Canterbury Regional Landfill Joint Committee

AGENDA

Notice of Meeting:

A meeting of the Canterbury Regional Landfill Joint Committee will be held on:

Date: Monday 8 April 2024
Time: 10 am
Venue: Council Chambers, Level 2, Civic Offices,
53 Hereford Street, Christchurch

Membership

Chairperson	Councillor Mark Peters - Christchurch City Council
Deputy	Councillor Robbie Brine - Waimakariri District Council
Members	Councillor Kelly Barber - Christchurch City Council
	Councillor James Gough - Christchurch City Council
	Councillor David Hislop - Hurunui District Council
	Councillor Liz McMillan - Ashburton District Council
	Councillor Grant Miller - Selwyn District Council

3 April 2024

Principal Advisor

Jane Parfitt
General Manager City Infrastructure
Infrastructure, Planning & Regulatory
Tel: 941 8999

Andrew Campbell
Democratic Services Advisor
941 8340
andrew.campbell@ccc.govt.nz
www.ccc.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

To view copies of Agendas and Minutes, visit:

<https://www.ccc.govt.nz/the-council/meetings-agendas-and-minutes/>

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Karakia Whakamutunga

Karakia Tīmatanga

1. Apologies Ngā Whakapāha

At the close of the agenda no apologies had been received.

2. Declarations of Interest Ngā Whakapuaki Aronga

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

3. Confirmation of Previous Minutes Te Whakaāe o te hui o mua

That the minutes of the Canterbury Regional Landfill Joint Committee meeting held on [Monday, 21 August 2023](#) be confirmed (refer page 5).

Canterbury Regional Landfill Joint Committee OPEN MINUTES

Date: Monday 21 August 2023
Time: 10.05am
Venue: Council Chambers, Level 2, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson Councillor Mark Peters - Christchurch City Council
Members Councillor Robbie Brine - Waimakariri District Council
Councillor Kelly Barber - Christchurch City Council
Councillor James Gough - Christchurch City Council (via audiovisual link)
Councillor David Hislop - Hurunui District Council
Councillor Liz McMillan - Ashburton District Council
Councillor Grant Miller - Selwyn District Council

Principal Advisor

Lynette Ellis
Head of Transport and Waste
Management
Tel: 941 6285

Andrew Campbell
Democratic Services Advisor
941 8340
andrew.campbell@ccc.govt.nz
www.ccc.govt.nz

Karakia Tīmatanga: Councillor Peters

The agenda was dealt with in the following order.

1. Apologies Ngā Whakapāha

Joint Committee Resolved CRLC/2023/00006

That the apologies received from Councillor Gough and Councillor Miller be accepted.

Councillor Brine/Councillor Barber

Carried

2. Declarations of Interest Ngā Whakapuaki Aronga

There were no declarations of interest recorded.

3. Confirmation of Previous Minutes Te Whakaāe o te hui o mua

Joint Committee Resolved CRLC/2023/00007

That the Open and Public Excluded minutes of the Canterbury Regional Landfill Joint Committee meeting held on Monday 3 April 2023 be confirmed.

Councillor Barber/Councillor McMillan

Carried

6. Resolution to Exclude the Public Te whakataunga kaupare hunga tūmatanui

Joint Committee Resolved CRLC/2023/00008

Part C

That Gill Cox, Chairperson, Ross Pickworth, Director, and Jeremy Parker, Commercial Manager, of Transwaste Canterbury Limited and Greg Slaughter, Executive General Manager, South Island, and of Waste Management NZ Limited, remain after the public have been excluded for Item 8 of the public excluded agenda as they have knowledge that is relevant to that item and will assist the Committee.

AND

That at 10.09am the resolution to exclude the public set out on pages 16 to 17 of the agenda be adopted.

Councillor Barber/Councillor Brine

Carried

The public were re-admitted to the meeting at 11.25am.

4. Appointment of representative to attend Transwaste Canterbury Limited Annual General Meeting

Joint Committee Resolved CRLC/2023/00009

Officer Recommendations Ngā Tūtohu Accepted without Change

That the Canterbury Regional Landfill Joint Committee:

1. Appoint Councillor Peters as the Committee representative to attend and vote at the Transwaste Canterbury Limited AGM on 23 November 2023.
2. Appoint Councillor Brine as an alternate, if the person appointed in recommendation 1 above is unable to attend.

Councillor McMillan/Councillor Brine

Carried

5. Kate Valley Landfill Transport Costs 2022 - 2023

Joint Committee Resolved CRLC/2023/00010

Officer Recommendations Ngā Tūtohu Accepted Without Change

Part C

That the Canterbury Regional Landfill Joint Committee:

1. Approve the 2022/2023 transport cost payments to Ashburton and Selwyn District Councils as set out in the report:
 - a. To Ashburton District Council - \$200,090.51
 - b. To Selwyn District Council -\$54,368.02
2. Request Transwaste Canterbury Limited to implement the payments set out above, by adjusting its dividend payments to the participating territorial authority shareholders.

Councillor Peters/Councillor Barber

Carried

Councillor Gough declared an interest due to his role on the Transwaste Canterbury Limited Board and did not vote.

Councillor McMillan and Councillor Miller noted a conflict given their Councils are to be the recipients of the transport cost payments above.

Karakia Whakamutunga: Councillor Peters

Meeting concluded at 11.30am.

CONFIRMED THIS 8th DAY OF APRIL 2024

COUNCILLOR MARK PETERS
CHAIRPERSON

Unconfirmed

Item 3 - Minutes of Previous Meeting 21/08/2023

4. Transwaste Canterbury Ltd - Half year report from 1 July to 31 December 2023.

Reference / Te Tohutoro: 24/18129

Report of / Te Pou
Matua:

Linda Gibb, Performance Advisor, Resources Group

Senior Manager /
Pouwhakarae:

Bede Carran, General Manager Resources/Chief Financial Officer

1. Purpose and Origin of Report Te Pūtake Pūrongo

- 1.1 This report advises the Canterbury Regional Landfill Joint Committee of Transwaste Canterbury Ltd's half year results for the period 1 July to 31 December 2023.
- 1.2 This report has been written following receipt of the Interim Report from Transwaste on 28 February 2024, as required by section 66 of the Local Government Act 2002 (LGA).

2. Officer Recommendations Ngā Tūtohu

That the Canterbury Regional Landfill Joint Committee:

1. Receive Transwaste Canterbury Ltd's Interim Report to 31 December 2023.

3. Brief Summary


- 3.1 Transwaste Canterbury Ltd's Interim Report for the six months 1 July – 31 December 2023 is at **Attachment A** to this report. Its content complies with section 66(4) of the LGA - to include information required to be included by the Council-controlled organisation's Statement of Intent (SOI).
- 3.2 The Interim Report advises the following financial outcomes (note that Transwaste does not provide half year forecasts but acknowledges the reasonableness of assuming an even phasing over 12 months):

	Actual to 31 December 2023 \$m	Est. target to 30 December 2023 \$m	Half year to 31 December 2022 \$m
Earnings before Interest and Tax (EBIT)	11.8	10.1	11.5
Net profit after tax	8.1	Not forecast	8.0

- 3.3 **Against target**, EBIT is higher by \$1.7 million (+16%) due to higher volumes of waste (+10,000 tonnes).
- 3.4 Transwaste expects its full year result to be ahead of its SOI target (of \$20.256 million) by around \$1 million (+5%).
- 3.5 **Against the prior half year's performance**, EBIT is higher by \$0.3 million (2.6%) which is below the materiality threshold of 5% and therefore does not require commenting on.

- 3.6 Transwaste paid a dividend of \$5.2 million in the half year to December 2023. Its full year SOI target of \$11.6 million is expected to increase to \$12.05 million.
- 3.7 All but one of the non-financial performance targets are on track to be met by year end. The Health and Safety target of no traffic incidents where CWS (Canterbury Waste Services) drivers are at fault was missed due to a minor collision.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 	Transwaste Canterbury Ltd - Interim Report to 31 December 2023	24/432708	11

In addition to the attached documents, the following background information is available:

Document Name – Location / File Link
Not applicable

Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).
(a) This report contains:
(i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
(ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Russell Holden - Head of Finance Bede Carran - General Manager Resources/Chief Financial Officer



Canterbury Regional Landfill Joint Committee
Christchurch City Council
PO Box 73015
CHRISTCHURCH 8154

Attention: Councillor Mark Peters

29 February 2024

Dear Councillor Peters

Transwaste Canterbury Limited - Interim Report to 31 December 2023

At the Board meeting for Transwaste Canterbury Limited held on Thursday 29 February 2024 the Interim Report for the six months ended 31 December 2023 was adopted.

A copy of the report is enclosed for your reference as shareholders of Transwaste Canterbury Limited, pursuant to clause 18.3 of the Shareholders Agreement.

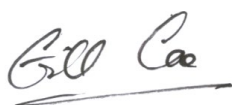
The progress toward achievement of the financial and other objectives is outlined on pages 8 to 13 of the Interim Report.

We would be pleased to present to the Committee on the results and related matters at its next meeting, which we understand is scheduled for 8 April 2024.

If you have any queries regarding the above, please do not hesitate to contact the writer on 021 873 611.

Yours faithfully

Transwaste Canterbury Limited

A handwritten signature in black ink, appearing to read "Gill Cox", with a horizontal line underneath.

Gill Cox

Chairman

Transwaste Canterbury Limited

Interim Report

For the six months ended 31 December 2023



The Board of Directors is pleased to present the Interim Report of Transwaste Canterbury Limited for the six months ended 31 December 2023.

Transwaste Canterbury Limited
Interim Report

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Transwaste Canterbury Limited
Interim Report

Directory

Company Number	951024																
Registered Office and Address for Service	PricewaterhouseCoopers Level 4, 60 Cashel Street Christchurch 8013																
Directors	Mr W G Cox (Chairperson) Mr G S James Mr I G Kennedy Mr T H Nickels Mr R A Pickworth Mr G S Miller Mr H E G Maehl Mr J T Gough																
Shareholders	<table> <tr> <th></th><th>No of Shares (Ordinary)</th></tr> <tr> <td>Waste Management NZ Limited</td><td>10,000,000</td></tr> <tr> <td>Christchurch City Council</td><td>7,780,000</td></tr> <tr> <td>Waimakariri District Council</td><td>780,000</td></tr> <tr> <td>Selwyn District Council</td><td>600,000</td></tr> <tr> <td>Ashburton District Council</td><td>600,000</td></tr> <tr> <td>Hurunui District Council</td><td>240,000</td></tr> <tr> <td></td><td><hr/>20,000,000</td></tr> </table>		No of Shares (Ordinary)	Waste Management NZ Limited	10,000,000	Christchurch City Council	7,780,000	Waimakariri District Council	780,000	Selwyn District Council	600,000	Ashburton District Council	600,000	Hurunui District Council	240,000		<hr/> 20,000,000
	No of Shares (Ordinary)																
Waste Management NZ Limited	10,000,000																
Christchurch City Council	7,780,000																
Waimakariri District Council	780,000																
Selwyn District Council	600,000																
Ashburton District Council	600,000																
Hurunui District Council	240,000																
	<hr/> 20,000,000																
Independent Chair of the Audit Committee	Brent McKenzie																
Auditors	Ernst & Young on behalf of the Auditor-General																
Solicitors	<table> <tr> <td>Buddle Findlay 83 Victoria Street Christchurch</td><td>Chapman Tripp Level 5, 60 Cashel Street Christchurch 8013</td></tr> </table>	Buddle Findlay 83 Victoria Street Christchurch	Chapman Tripp Level 5, 60 Cashel Street Christchurch 8013														
Buddle Findlay 83 Victoria Street Christchurch	Chapman Tripp Level 5, 60 Cashel Street Christchurch 8013																
Bankers	Westpac Banking Corporation 83 Cashel Street Christchurch 8011																
Principal Activity	To own, operate and continue development of a non-hazardous regional landfill in Canterbury.																

(3)

Transwaste Canterbury Limited
Interim Report

Directors' Report to the Shareholders

For the six months ended 31 December 2023

Your Directors take pleasure in presenting their Interim Report including the financial statements of the company for the six months ended 31 December 2023.

Principal Activities

The company was incorporated on 31 March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury.

The company holds six wholly owned name protection subsidiaries, all of which are inactive and have no assets and liabilities.

State of Affairs

The nature of the company's business activities remained unchanged during the accounting period.

The results of operations during the period, financial position and state of affairs of the company are as detailed in the accompanying financial statements.

Directors' Remuneration

	6 months	
	Directors' Fees	Other Remuneration
	\$	\$
Mr W G Cox	41,091	-
Mr J T Gough	20,545	-
Mr T H Nickels	20,545*	-
Mr G S James	23,698*	-
Mr I G Kennedy	20,545*	-
Mr G S Miller	20,545	-
Mr R A Pickworth	23,698	3,400
Mr H E G Maehl	20,545*	-

* The directors fees for these directors are paid to the companies they represent.

No other remuneration or benefits have been paid to directors, with the exception of Mr RA Pickworth who has received \$3,400 in consulting fees. The fees and remuneration have been entered in the interests register.

(4)

Transwaste Canterbury Limited
Interim Report

Directors' Report to the Shareholders (Continued)

For the six months ended 31 December 2023

Directors' Interests

The company is required to maintain an interests register in which the particulars of certain transactions and matters involving the directors must be recorded. The interests register for the company is available for inspection by shareholders at the registered office.

The directors have disclosed an interest in the following entities pursuant to section 140 of the Companies Act 1993:

MR W G COX

	Position Held
Elastomer Products Limited	Director
Independent Fisheries Limited (finished 1 November 2023)	Director
Barlow Brothers NZ Limited	Director
Anderson Lloyd	Board Member
MOTUS Health Limited	Director
Hurunui Biodiversity Trust	Trustee
Waimakariri Irrigation Limited and subsidiary	Director
Venues Otautahi Limited	Director
Christchurch City Holdings Limited	Director
Te Kaha Project Delivery Limited	Director
Committee for Canterbury	Trustee
Project Crimson	Trustee
Foodco New Zealand Limited	Director

MR I G KENNEDY

	Position Held
Waste Management NZ Limited	Employee

MR T H NICKELS

	Position Held
KT Advisory Limited	Director
OCS Australia & New Zealand	Advisory Board Member

MR G S JAMES

	Position Held
Waste Management NZ Limited	Consultant

MR R A PICKWORTH

	Position Held
Westpower Limited, plus various wholly owned subsidiaries (finished 19 August 2023)	Director
Westroads Limited	Director
Ashburton Contracting Limited	Director
Pipeline Group Limited, plus various wholly owned subsidiaries	Director
McLenaghan Contracting Limited	Director
Industrial Controls South Canterbury Limited	Director
Waiotahi Contractors Limited (commenced 8 November 2023)	Director
Network Tasman Limited (commenced 1 September 2023)	Director

(5)

Item 4

Attachment A

Transwaste Canterbury Limited
Interim Report

Directors' Report to the Shareholders (Continued)

For the six months ended 31 December 2023

MR H E G MAEHL

	Position Held
WMNZ Holdings Limited and NZ parent companies	Director
Waste Management NZ Limited, plus various wholly owned subsidiaries	Director
Waste Management NZ Limited	Employee
Daniels Sharpsmart New Zealand Limited	Director
Midwest Disposals Limited	Director
Waste Disposal Services	Executive Committee Member

MR G S MILLER

	Position Held
Selwyn District Council	Councillor
Canterbury Regional Landfill Joint Committee	Committee Member
Central Plains Water Limited	Director
Porahui Farms Limited	Shareholder

MR J T GOUGH

	Position Held
Christchurch City Council	Councillor
Canterbury Regional Landfill Joint Committee	Committee Member
Fendalton-Waimairi-Harewood Community Board	Board Member
Civic Building Limited	Director
Aether Pacific Pharmaceuticals Limited	Advisory Board Member
Gough Property Corporation Limited	Shareholder and Director
Gough Family Limited (commenced 24 November 2023)	Shareholder and Director
Gough Family Investments Limited (commenced 24 November 2023)	Shareholder and Director
Gough Corporation Holdings Limited plus various wholly owned subsidiaries	Shareholder and Director
Antony Gough Trust	Trustee
The Terrace Carpark Limited	Director
The Terrace Christchurch Limited	Director
The Terrace on Avon Limited	Director
Ferry Road Property Holdings Limited (finished 9 February 2024)	Director
West Mall Properties Limited (finished 27 October 2023)	Director
Peterborough Holdings Limited (finished 27 October 2023)	Director

All transactions the company has entered into with parties in which directors hold directorships have been entered into in the ordinary course of business.

Directors' Remuneration and Other Benefits

Details of the directors' remuneration are provided above.

Information used by Directors

No member of the board of Transwaste Canterbury Limited issued a notice requesting to use company information received in their capacity as directors which would not otherwise have been available to them.

(6)

Transwaste Canterbury Limited
Interim Report

Directors' Report to the Shareholders (Continued)

For the six months ended 31 December 2023

Indemnification and Insurance of Officers and Directors

The company indemnifies all directors named in this report against all liabilities (other than to the company) that arise out of the performance of their normal duties as director, unless the liability relates to conduct involving lack of good faith. To manage this risk, the company has indemnity insurance. The annual cost of this insurance is \$35,250 (2022: \$33,200).

Recommended Dividend

The general policy for the company is to declare dividends calculated at 100% of the net profit after tax after allowing for working capital requirements, as set out in the company's Statement of Intent.

Dividends of \$5,200,000 were paid during the six month period ended 31 December 2023.

An interim dividend of \$6,850,000 declared after the reporting date (29 February 2024) is disclosed in Note 6.

Donations

The company made donations of \$45,000 to the Kate Valley Landfill Community Trust during the period (2022: \$44,000).

Auditor's Remuneration

The auditor of the company is Ernst & Young, acting on behalf of the Auditor-General.

The annual remuneration for auditing services for the company provided by Ernst & Young for the 2023 annual audit was \$65,000 (2022 Audit New Zealand: \$46,152). No other services were provided by the auditor. These interim financial statements are not audited.

(7)

Statement of Objectives and Performance

For the six months ended 31 December 2023

Targets were set under the Statement of Intent for the three years ending 30 June 2026. A comparison of achievement against those targets is as follows:

Objective

Environment: *To ensure that Transwaste, as a minimum, meets present and future environmental standards in a manner which is consistent with the preservation of the natural environment and the careful and sustainable management of its natural resources.*

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2024)	Progress Toward Achievement
(a) No proven breaches of Resource Management Act consents.	Nil established consent breaches notified during the year by ECan.	There were no breaches notified by Ecan.

Objective

Environment: *Support New Zealand's "Predator Free by 2050" goal.*

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2024)	Progress Toward Achievement
(a) Limit large mammal pests (pigs and deer) to low levels in Tiromoana Bush.	No adverse impacts on restoration plantings from deer and pig rooting (such damage being evident in <5% of vegetation monitoring plots.	On track to achieve – 2 deer and 23 pigs culled in the six months to 31 December 2023.
(b) Small mammal pests (mustelids, rodents, possums, cats, hedgehogs) reduced to levels that have minimal impact on native biodiversity in Tiromoana Bush.	The abundance of bird life (as indicated by remeasuring of the bird monitoring transects) is greater than the 2005-2009 baseline for bellbird and grey warbler.	On track to achieve – ongoing monthly trapping and monitoring being undertaken.

Transwaste Canterbury Limited
Interim Report

Statement of Objectives and Performance (Continued)

For the six months ended 31 December 2023

Objective

Environment: Maintain and/or reduce Green House Emission intensity, to use the gas captured in a socially and economically sustainable way and to generate carbon offsets via commercial and indigenous forestry.

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2024)	Progress Toward Achievement
(a) Measure Transwaste's carbon footprint.	Carbon footprint is measured and independently certified.	Project with Toitu Envirocare to measure carbon footprint for the year ended 30 June 2022 completed and audited.
(b) Maximise capture and destruction of landfill gas from Kate Valley landfill.	Ensure the capture and destruction of in excess of 95% of landfill gas produced by Kate Valley landfill as measured by the methodology applicable for the ETS reporting period.	Achieved for the year ended 31 December 2023.
(c) Reduce GHG emissions from Controlled Waste haulage	Maintain or improve average Euro emission rate of CWS fleet.	On track, 1 further Euro VI vehicle added replacing lower rated vehicle.
(d) To ensure the beneficial use of landfill gas to obtain the best economic value.	To increase the MWh of electricity exported from Kate Valley landfill by 50% over the three year Sol period 2024 to 2026.	Not achieved, but on track - sufficient generation capacity is available on site to support the target, however achieving the target remains dependent on transmission line improvements, which is under discussion with MainPower NZ Limited.
(e) Measure NZU credits on exotic forestry	Monitor and report the tonnage of carbon sequestered (measured by accrual of ETS units).	Achieved - registrations completed and related units allocated.
(f) Provide ongoing planting and growth of native trees and bush in the Tiromoana Bush area.	Monitor and report the tonnage of carbon sequestered (measured by accrual of ETS units).	Achieved - registrations and measurements completed
(g) Report annually carbon emissions attributable to the waste received from each Territorial Local Authority area, both before and after carbon reduction initiatives.	Development and distribution of carbon emissions reporting to Territorial Local Authorities.	On Track – data being audited for use in reporting.

(9)

Statement of Objectives and Performance (Continued)

For the six months ended 31 December 2023

Objective

Corporate Citizenship/Community Relations: *To be a responsible Corporate Citizen by acting fairly and honestly and to be sensitive to local issues.*

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2024)	Progress Toward Achievement
(a) Finance the Kate Valley Landfill Community Trust (from the Disposal Charge) for the purpose of benefiting the local community.	Annual payment to Kate Valley Landfill Community Trust, to be determined on an annual basis.	An interim payment of \$45,000 was made during the period. The final contribution for the year ended 31 December 2023 will be made in February 2024.
(b) Develop, maintain and promote the use of education material with regard to waste management and the environment.	Material is being used by schools.	On track. The Waipara school visited Landfill and received an educational presentation and landfill tour. Investigating use of the online material available on the website.
(c) Plan for sites aftercare and closure – financially and revenue streams.	Adequate provisioning, which stands up to audit scrutiny, in financial statements for aftercare and closure costs.	On track. Provisions are calculated under the same methodologies as those used in the year end financial statements.

Objective

Service Quality: *Meet the present and future needs of the people of Canterbury with high standards of value, quality and service and establish effective relations with customers.*

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2024)	Progress Toward Achievement
(a) Timely, high quality and reliable waste transport services.	No transfer station is unable to receive waste during its normal operating hours due to Transwaste's failure to supply containers.	No impacts – fully achieved to date.
(b) Reliability of access to the Kate Valley landfill.	Landfill is available to waste transporters for more than 99% of normal annual transport access hours.	Achieved – more than 99% availability for normal access hours despite the landfill being closed for one half day due to an extreme wind event in October.

(10)

Statement of Objectives and Performance (Continued)

For the six months ended 31 December 2023

Objective

Health and Safety: *Strive for zero injury accidents in all operations the Company and its main contractor, Waste Management NZ Ltd (through its Canterbury Waste Services division - CWS), will be responsible for, whilst maintaining a high level of service and production.*

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2024)	Progress Toward Achievement
(a) Ensuring that in all activities the Company and its contractors have Health and Safety Management Plans in place.	Maintain or improve current total recordable injury frequency rate (TRIFR) for the last 12 months.	On track – nil LTIs in all operations. Actual TRIFR for the period ended December 2023 is zero.
(b) Maintain Kate Valley public walkways to an acceptable standard, (track maintenance, signage).	Annual operational plans objectives met, with no serious avoidable injuries.	On track. Good patronage on both walkways.
(c) No traffic incidents where CWS drivers at fault.	No at-fault incidents.	Not achieved. One minor event where TCL (Waste Management) has accepted being at fault as a result of a minor collision. Fully investigated and appropriate action taken.

Objective

Good Employer: *Be a Good Employer, through either direct employment or by way of management contracts with CWS.*

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2024)	Progress Toward Achievement
(a) Ensure CWS has objectives and policies that detail the relationship with employees, their remuneration, safety and other issues such as equal opportunity in employment.	No more than 15% annually of CWS landfill and transport staff annual FTE turnover.	Turnover of permanent employees at Kate Valley was 5 at landfill and nil in transport out of 47 FTEs for the six months.
(b) Ensuring that its employees have secure and rewarding employment which provides the means for personal development.	10 hours per FTE annually for CWS staff training.	On track. Kate Valley staff undertaken 7.8 hours per FTE year to date (6 months).

Transwaste Canterbury Limited
Interim Report

Statement of Objectives and Performance (Continued)

For the six months ended 31 December 2023

Objective

Consultation/Communication: Establish and maintain good relations with the local host community of the Kate Valley landfill and consult with those groups and other interest groups (including Tangata Whenua) on issues that are likely to affect them.

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2024)	Progress Toward Achievement
(a) Consult with the host community concerning landfill operations by way of direct communication and via the Community Liaison Group.	At least two Kate Valley Community Liaison group meetings held per year.	On track. 2 Community Liaison Group meetings held in the period to 31 December 2023.
(b) Engage with other interest groups including Tangata Whenua and discuss all issues likely to affect them.	Three interactions with interest groups per year.	Interactions have taken place on appropriate issues as required.

Objective

Legislative/Regulatory Compliance: To be a good Corporate Citizen by acting lawfully

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2024)	Progress Toward Achievement
(a) To ensure compliance with all relevant legislation and statutory requirements.	Annual reporting to Board on areas of compliance and non-compliance.	On track. Monthly reporting is undertaken. Compliance reporting up to date at Kate Valley.
	Nil known legislative and regulatory non-compliance.	On track.

(12)

Transwaste Canterbury Limited
Interim Report

Statement of Objectives and Performance (Continued)
For the six months ended 31 December 2023

Objective
Shareholder Interests: To operate a successful business, providing a fair rate of return to its shareholders.

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2024)	Progress Toward Achievement
(a) To effectively operate the consented regional landfill at Kate Valley to achieve specific commercial performance targets.	Total Revenue (inclusive of waste levy) of \$72,025,000	On track.
	EBIT of \$20,256,000	On track.
	Dividends paid (relating to Kate Valley) of \$11,650,000	Dividends totalling \$12,050,000 are forecast to be paid during the year for the Kate Valley operations.

Transwaste Canterbury Limited
Interim Report

Interim Statement of Comprehensive Income

For the six months ended 31 December 2023

	Note	December 2023 \$'000	December 2022 \$'000	June 2023 \$'000
		Interim (Unaudited)	Interim (Unaudited)	Annual (Audited)
Revenue				
Sales excluding waste levy	2	28,953	26,360	52,297
Waste levy		9,272	5,503	10,794
Sales including waste levy		38,225	31,863	63,091
Rental		28	28	64
Interest		88	102	491
Changes in fair value of forest		-	-	150
Total Revenue		38,341	31,993	63,796
Expenses				
Audit fees				
- Annual audit		52	24	65
Depreciation and amortisation		2,953	2,626	5,635
Directors' fees		191	187	366
Landfill and facilities operating expenses		12,570	11,074	21,840
Loss on sale of property, plant and equipment		16	-	112
Waste levy		9,272	5,503	10,794
Other expenses		1,529	1,070	2,351
Total Expenses		26,582	20,484	41,163
Profit before finance costs and tax		11,759	11,509	22,633
Finance costs		586	451	922
Profit before tax		11,173	11,058	21,711
Income tax expense		3,129	3,096	6,079
Profit for the period		8,044	7,962	15,632
Other comprehensive income				
Net change in fair value of cash flow hedging instrument		(178)	71	(129)
Total comprehensive income for the period		7,866	8,033	15,503

The notes on pages 19-26 form an integral part of this condensed interim financial information.

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Transwaste Canterbury Limited
Interim Report

Interim Statement of Changes in Equity

For the six months ended 31 December 2023

	Note	Contributed equity \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance 1 July 2022		16,000	754	20,809	37,563
Profit for the period		-	-	7,962	7,962
<i>Other comprehensive income:</i>					
Cash flow hedges, net of tax		-	71	-	71
Total comprehensive income for the period ended 31 December 2022 (unaudited)		-	71	7,962	8,033
Dividend	6	-	-	(18,300)	(18,300)
Balance 31 December 2022		16,000	825	10,471	27,296
Balance 1 July 2023		16,000	625	18,141	34,766
Profit for the period		-	-	8,044	8,044
<i>Other comprehensive income:</i>					
Cash flow hedges, net of tax		-	(178)	-	(178)
Total comprehensive income for the period ended 31 December 2023 (unaudited)		-	(178)	8,044	7,866
Dividend	6	-	-	(5,200)	(5,200)
Balance 31 December 2023		16,000	447	20,985	37,432
Balance 1 July 2022		16,000	754	20,809	37,563
Profit for the year		-	-	15,632	15,632
<i>Other comprehensive income:</i>					
Cash flow hedges, net of tax		-	(129)	-	(129)
Total comprehensive income for the year ended 30 June 2023 (audited)		-	(129)	15,632	15,503
Dividends	6	-	-	(18,300)	(18,300)
Balance 30 June 2023		16,000	625	18,141	34,766

The notes on pages 19-26 form an integral part of this condensed interim financial information.

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Transwaste Canterbury Limited
Interim Report

Interim Statement of Financial Position
As at 31 December 2023

	Note	December 2023 \$'000 Interim (Unaudited)	December 2022 \$'000 Interim (Unaudited)	June 2023 \$'000 Annual (Audited)
Assets				
Non-current assets				
Property, plant and equipment	3	54,321	49,527	53,883
Forestry		2,706	2,556	2,706
Emission units		2,652	2,134	2,652
Environmental restoration account		5,414	5,370	5,414
Derivative financial instruments		18	277	237
Total non-current assets		65,111	59,864	64,892
Current assets				
Cash and cash equivalents		3,729	1,695	614
Trade and other receivables		7,468	6,581	6,505
Derivative financial instruments		141	-	-
Total current assets		11,338	8,276	7,119
Total assets		76,449	68,140	72,011
Equity				
Contributed equity		16,000	16,000	16,000
Reserves		447	825	625
Retained earnings		20,985	10,471	18,141
Total equity		37,432	27,296	34,766
Liabilities				
Non-current liabilities				
Interest-bearing borrowings	5	-	7,500	-
Provisions	4	18,894	16,142	19,929
Deferred income tax liability		7,659	8,201	7,774
Total non-current liabilities		26,553	31,843	27,703
Current liabilities				
Trade and other payables		9,809	7,745	7,223
Derivative financial instruments		248	-	-
Income tax payable		1,188	480	1,712
Provisions	4	1,194	749	583
Directors' fees		25	27	24
Total current liabilities		12,464	9,001	9,542
Total liabilities		39,017	40,844	37,245
Total equity and liabilities		76,449	68,140	72,011

The notes on pages 19-26 form an integral part of this condensed interim financial information.

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Transwaste Canterbury Limited
Interim Report

Interim Cash Flow Statement
For the six months ended 31 December 2023

	December 2023 \$'000 Interim (Unaudited)	December 2022 \$'000 Interim (Unaudited)	June 2023 \$'000 Annual (Audited)
Cash flows from operating activities			
Receipts from customers (excluding waste levy)	28,465	26,060	52,022
Waste levy received	8,796	5,146	10,487
Interest received	167	102	254
Other revenue	28	27	64
Payments to suppliers and employees	(14,464)	(12,430)	(24,321)
Interest paid	(29)	(131)	(282)
Waste levy paid	(7,305)	(4,550)	(9,914)
Income tax received/(paid)	(3,700)	1,429	(671)
Goods and services tax (net)	745	327	266
Net cash from operating activities	<u>12,703</u>	<u>15,980</u>	<u>27,905</u>
Cash flows from investing activities			
Purchase of property, plant & equipment	(4,388)	(3,687)	(7,553)
(Purchase)/sale of emission units	-	-	(1,596)
Environmental restoration account	-	(5,370)	(5,414)
Net cash used in investing activities	<u>(4,388)</u>	<u>(9,057)</u>	<u>(14,563)</u>
Cash flows from financing activities			
Bank funding	-	6,000	(1,500)
Dividends paid	(5,200)	(18,300)	(18,300)
Net cash used in financing activities	<u>(5,200)</u>	<u>(12,300)</u>	<u>(19,800)</u>
Net increase/(decrease) in cash and cash equivalents	3,115	(5,377)	(6,458)
Cash and cash equivalents at beginning of the period	<u>614</u>	<u>7,072</u>	<u>7,072</u>
Cash and cash equivalents at end of the period	<u>3,729</u>	<u>1,695</u>	<u>614</u>

The notes on pages 19-26 form an integral part of this condensed interim financial information.

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Transwaste Canterbury Limited
Interim Report

Interim Cash Flow Statement

For the six months ended 31 December 2023

Reconciliation of profit for the period to net cash flow from operating activities

	December 2023 \$'000 Interim (Unaudited)	December 2022 \$'000 Interim (Unaudited)	June 2023 \$'000 Annual (Audited)
Total comprehensive income for the period	7,866	8,033	15,503
Add/(less) non-cash items:			
Depreciation, amortisation and impairment	2,953	2,626	5,635
Loss/(gain) on changes in fair value of forest	-	-	(150)
Cash flow hedges	257	(71)	(107)
Time value adjustment	557	320	641
ETS surrendered	-	-	1,078
Loss/(gain) on sale of property, plant and equipment	16	-	112
Deferred tax	(47)	5,295	4,946
	<u>3,736</u>	<u>8,170</u>	<u>12,155</u>
Add/(less) movements in working capital items:			
Receivables	(963)	(656)	(581)
Income tax	(525)	(770)	462
Trade payables – working capital	2,589	1,203	677
	<u>1,101</u>	<u>(223)</u>	<u>558</u>
Add/(less) items classified as investing activities			
Closure and post-closure provisions utilised	-	-	(311)
	<u>-</u>	<u>-</u>	<u>(311)</u>
Net cash inflow from operating activities	<u>12,703</u>	<u>15,980</u>	<u>27,905</u>

Non-cash investing and financing activities

There were no non-cash investing and financing transactions during the period (2022: nil).

The notes on pages 19-26 form an integral part of this condensed interim financial information.

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Transwaste Canterbury Limited
Interim Report

Notes to the Interim Financial Statements (unaudited) For the six months ended 31 December 2023

1. General Information

Reporting Entity and Statutory Base

Transwaste Canterbury Limited is a company registered under the Companies Act 1993 and is a Council Controlled Trading Organisation as defined in Section 6 of the Local Government Act 2002.

The company represents a joint venture between Waste Management NZ Limited and five local authorities in Canterbury.

The primary objective of the company is to own, operate and continue development of a non-hazardous landfill for the Canterbury region. From 2011, a wholly owned subsidiary Burwood Resource Recovery Park Limited (BRRP) operated a Christchurch Earthquake demolition waste material management and recovery facility and a landfill for disposal of residual demolition waste until its closure in 2020. BRRP was amalgamated with the company on 31 May 2022. The company continues to hold six wholly owned non-trading subsidiaries, which are held for name protection purposes and have no assets and liabilities. All companies are incorporated and domiciled in New Zealand.

This condensed interim financial information was approved for issue by the Board on 29 February 2024.

This condensed interim financial information has not been subject to audit.

The reporting currency used in the preparation of these interim financial statements is New Zealand dollars, rounded to the nearest thousand.

Summary of Significant Accounting Policies

This condensed interim financial report for the six months ended 31 December 2023 has been prepared in accordance with NZ IAS 34, 'Interim financial reporting'.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023, which has been prepared in accordance with New Zealand equivalents to International Accounting Standards (NZ IFRS).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New and amended standards adopted by the company

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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Transwaste Canterbury Limited
Interim Report

Notes to the Interim Financial Statements (unaudited)
For the six months ended 31 December 2023

2. Revenue

	December 2023 \$'000 Interim	December 2022 \$'000 Interim	June 2023 \$'000 Annual
Waste disposal (excluding waste levy)	23,063	21,630	42,242
Waste levy on-charged to customers	9,272	5,503	10,794
Waste disposal sales including waste levy	32,335	27,133	53,036
Waste transport	4,773	4,285	8,666
Electricity generation	1,117	445	1,389
Sales	38,225	31,863	63,091

Waste levy cost

The Ministry for the Environment introduced a waste levy in 2009. The waste levy payable in respect of the period starting 1 July 2023 was \$50 per tonne of waste to landfill (Year to 30 June 2023: \$30 per tonne). The waste levy is on-charged to customers and the on-charge is included in sales revenue. The waste levy cost is included in expenses.

Nature of revenue

The company contracts with its customers to lawfully dispose of waste at the Kate Valley landfill. For shareholders, the Company contracts to deliver empty waste containers to refuse stations, and collect full containers and deliver them to the landfill.

Contractual payment terms are typically within one month after the month the contents are lawfully disposed into landfill.

The company has a contract to sell electricity generated at its Kate Valley landfill into the national grid.

The company, as lessor, has entered into contracts to lease land for farming activities, and has entered into a contract with a third party to harvest and sell forestry assets as required.

Consideration is fixed and there is no significant financing component in the contracts.

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Notes to the Interim Financial Statements (unaudited) For the six months ended 31 December 2023

3. Property, plant and equipment

During the six months ended 31 December 2023, the company acquired assets with a total cost of \$4,388,000 (31 December 2022: \$3,687,000).

In addition, the estimates for discount and inflation rates applied to the provision for closure and post closure costs were reassessed at 31 December, resulting in a \$981,000 decrease (2022: \$2,607,000 decrease) to the closure and post closure asset.

There were no funds received from asset disposals during the six month period to 31 December 2023 (31 December 2022: \$nil).

4. Provisions

Provisions are represented by:

Closure and post-closure provisions

	December 2023 \$'000	December 2022 \$'000	June 2023 \$'000
	Interim	Interim	Annual
Opening balance	20,512	19,178	19,178
Assessment of current value of landfill costs:			
- Cost assessment	-	-	3,532
- Discount rate update	(981)	(2,607)	(2,528)
Effect of time value adjustment	557	320	641
Amounts used during the period	-	-	(311)
Closing balance	20,088	16,891	20,512
Comprising:			
Current	1,194	749	583
Non-current	18,894	16,142	19,929
Total closure and post-closure provisions	20,088	16,891	20,512

Provision is made for the future costs of closing the company's landfill during and at the end of its economic life and for the associated post-closure costs, being the aftercare of the landfill for the prescribed period. Estimated costs, adjusted for inflation, are built up on an item by item basis. The provision held, at each balance date, represents the net present value of the estimated future costs. A detailed reassessment of these costs and the anticipated remaining life of the landfill is performed on a regular basis. A consent renewal or extension is anticipated to optimise the economic life of the landfill.

Notes to the Interim Financial Statements (unaudited) For the six months ended 31 December 2023

The impact of changes to the provision arising from the reassessment of the life of the landfill and estimated future costs are capitalised to deferred closure and post-closure costs within property, plant and equipment in the Statement of Financial Position. The annual change in the net present value of the provision due to the passage of time is recorded as the time value adjustment of provisions in the profit or loss. The financial reporting standards require this to be disclosed as an interest cost in the profit or loss.

The provision has been estimated taking into account existing technology and using discount rates applicable to the timing of estimated cash outflows, which range from 3.76% to 5.20% (31 December 2022: 3.34% to 5.12%; 30 June 2023: 4.19% to 5.43%). Changes in the current assessment of landfill costs relate predominantly to changes in the discount rates and inflation factors applied.

Kate Valley Landfill

The remaining economic life of the Kate Valley landfill is estimated to be 22 years.

The cash outflows for landfill post-closure are expected to occur in twenty two to fifty two years time (or between 2045 and 2075). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

5. Borrowings

	December 2023 \$'000 Interim	December 2022 \$'000 Interim	June 2023 \$'000 Annual
Non-current borrowings – Bank loans			
Westpac multi-option credit facility	-	7,500	-

Bank loans

The company has entered into a multi option credit facility with Westpac totalling \$15,000,000 for ongoing funding of the Kate Valley landfill construction and operations. The facility is secured by way of a registered first general security agreement over all owned assets, undertakings and uncalled capital of the company and first ranking mortgage over the property owned by the company.

During the financial year, net drawdowns and repayments of \$nil have occurred on the facility, resulting in no outstanding balance at the reporting date.

Notes to the Interim Financial Statements (unaudited) For the six months ended 31 December 2023

Fair value of non-current borrowings

Bank loans, where applicable, have been valued at fair value.
The carrying amounts of other non-current borrowings approximate their fair values.
The carrying amounts of borrowings repayable within one year approximate their fair value.

6. Dividends

	December 2023 \$'000	December 2022 \$'000	June 2023 \$'000
	Interim	Interim	Annual
Dividends paid during the period			
Interim dividends for current year ¹	-	10,300	10,300
Final dividends for prior year ²	5,200	8,000	8,000
	<u>5,200</u>	<u>18,300</u>	<u>18,300</u>

¹ No interim dividends were paid during the 31 December period (2022: \$10,300,000 fully imputed on 30 September 2022).

² A fully imputed final dividend for 2023 of \$5,200,000 was declared and paid on 24 August 2023 (2022: \$8,000,000 fully imputed on 26 August 2022)

A fully imputed interim dividend of \$6,850,000 was declared on 29 February 2024.

7. Capital commitments and operating leases

	December 2023 \$'000	December 2022 \$'000	June 2023 \$'000
	Interim	Interim	Annual
Capital commitments contracted for at balance date but not yet incurred for property, plant and equipment	856	1,470	1,533

The company has entered into forward contracts totalling \$3,202,000 (2022: \$4,799,000) for the purchase of emissions units.

There are no capital commitments in relation to forestry.

Notes to the Interim Financial Statements (unaudited)
For the six months ended 31 December 2023

Operating leases as lessor

The company leases land not immediately required for its operations under operating leases. The leases are with one external party and have non-cancellable terms of 5 years from June 2023 with the exception of one area which is leased to the same party on a month-to-month basis.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	December 2023 \$'000 Interim	December 2022 \$'000 Interim	June 2023 \$'000 Annual
Not later than one year	55	27	55
Later than one year and not later than five years	168	-	192
Later than five years	-	-	-
Total non-cancellable operating leases	223	27	247

No contingent rents have been recognised during the period.

8. Related party transactions

The company's shareholders are considered to be related parties of the company. This includes the five territorial local authorities with shareholdings in the company and Waste Management NZ Limited.

The company has negotiated waste disposal and transport contracts with the related parties. The company also contracts with Waste Management NZ Limited for costs relating to the ongoing landfill construction, landfill operation and transport services. Pricing under the contracts is subject to annual inflation indexing and detailed three-yearly reviews which include oversight by a probity auditor.

The following transactions were carried out with related parties:

	December 2023 \$'000 Interim	December 2022 \$'000 Interim	June 2023 \$'000 Annual
(a) Sales of services			
Entities with joint control or significant influence over the entity (landfilling and transport)	12,622	10,615	21,320
Other related parties (landfilling and transport)	12,637	10,334	20,833
	25,259	20,949	42,153

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Notes to the Interim Financial Statements (unaudited)
For the six months ended 31 December 2023

(b) Purchases of services

Entities with joint control or significant influence over the entity (waste disposal, transport and construction)	18,244	12,317	29,801
Entities with joint control or significant influence over the entity (rates)	9	9	22
	<u>18,253</u>	<u>12,326</u>	<u>29,823</u>

(c) Year end balances arising from sales/purchases of services

Receivables from related parties

Entities with joint control or significant influence over the entity	2,686	2,250	2,039
Other related parties	<u>2,458</u>	<u>2,143</u>	<u>1,981</u>
	<u>5,144</u>	<u>4,393</u>	<u>4,020</u>

Payables to related parties

Entities with joint control or significant influence over the entity	<u>2,494</u>	<u>2,743</u>	<u>3,155</u>
	<u>2,494</u>	<u>2,743</u>	<u>3,155</u>

Key management personnel

Directors' fees and other short term employee benefits	191	187	366
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Directors' remuneration is detailed in the Directors' Report to Shareholders on page 4.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables from related parties (2022: nil).

9. Contingent assets and liabilities

Contingent assets

Under the New Zealand Emissions Trading Scheme (ETS) the company is eligible for carbon credits on sequestration of carbon in the company's post-1989 forests. Credits have been received for periods up to 31 December 2022.

The company will have an obligation to account for any emission released as a consequence of deforestation of pre-1990 land by surrendering credits equal to the extent of that emission. The company has no liability for deforestation as at 31 December 2023 (2022: nil).

Transwaste Canterbury Limited
Interim Report

Notes to the Interim Financial Statements (unaudited)
For the six months ended 31 December 2023

Contingent liabilities

	December 2023 \$'000 Interim	December 2022 \$'000 Interim	June 2023 \$'000 Annual
Bonds	15,912	15,912	15,912

Bonds of \$15,912,500 (2022: \$15,912,500) have been arranged with the company's bankers in terms of resource consents granted to the company. It is anticipated no material liabilities will arise under the bond.

10. Events occurring after the reporting period

There have been no significant events after the interim reporting date that are not otherwise disclosed in these financial statements.

5. Transwaste Canterbury Ltd - Draft Statement of Intent 2024/25

Reference Te Tohutoro: 24/508878

Responsible Officer(s) Te Pou Matua: Linda Gibb, Performance Advisor, Resources

Accountable ELT Member Pouwhakarae: Bede Carran, General Manager Resources/Chief Financial Officer

1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 This report presents Transwaste Canterbury Ltd's draft Statement of Intent (SOI) for 2024/25.
- 1.2 The draft SOI was received on 1 March 2024 as required by clause 1, schedule 8 of part 1 of the Local Government Act 2002 (LGA).

2. Officer Recommendations Ngā Tūtohu

That the Canterbury Regional Landfill Joint Committee:

1. Receive Transwaste Canterbury Ltd - Draft Statement of Intent 2024/25; and
2. Advise any comments on the draft Statement of Intent for 2024/25 to be referred to the Transwaste board for its consideration by 1 May 2024 for its consideration before finalising its Statement of Intent for 2024/25.

3. Executive Summary Te Whakarāpopoto Matua

- 3.1 Transwaste Canterbury Ltd's ('**Transwaste**') draft SOI is compliant with the requirements of the LGA as it relates to SOIs.
- 3.2 Financial forecasts for the draft SOI have remained unchanged from what was projected in last year's final SOI. Transwaste advises that the financial forecasts will be updated into the final SOI.

Background/Context Te Horopaki

- 3.3 The key purpose of the SOI process is to provide the Councils, as joint 50% shareholders of Transwaste (with Waste Management New Zealand) with an opportunity to influence the direction of the Council-controlled organisation ('**CCO**').

Local Government Act 2002 requirements

- 3.4 The purpose of a SOI is recorded in section 64(2) of the LGA as being to:
 - a) state publicly the activities and intentions of the CCO for the year, and the objectives to which those activities will contribute; and
 - b) provide an opportunity for shareholders to influence the direction of the organisation; and
 - c) provide a basis for the accountability of the directors for performance.
- 3.5 Clauses 1 and 2, schedule 8 of part 1 of the LGA enable the shareholders of a CCO to provide comments on a draft SOI (of its directly and indirectly owned CCOs) to the CCO board by 1 May and the CCO board must consider the comments and finalise the SOI by 30 June.
- 3.6 The draft SOI complies with the requirements for content pursuant to schedule 8, part 2 of the LGA as follows:

- clause 7 - SOI to include the objectives of the group, the board's approach to governance, nature and scope of activities to be undertaken, non-financial performance targets and other measures by which performance is judged in relation to the objectives and the major accounting policies; and
- clause 9 - SOI to include the company's major accounting policies, ratio of consolidated shareholders' funds to total assets, an estimate of the distributions intended to be made to shareholders and the board's estimate of the commercial value of the shareholders' investment in the company.

Summary of draft SOI

3.7 The table below compares Transwaste's draft financial targets with the prior year's final and draft SOI forecasts. As draft targets are assumed to be the same as the prior year's final targets, to assess changes in projections, comparison is made with last year's draft (instead of final) SOI targets.

3.8 Note that:

- Transwaste has previously advised there is a strong correlation between economic growth and waste volumes to Kate Valley landfill;
- there has been a significant increase in the Government's waste levy, rising from \$30 per tonne in 2022/23 to \$60 per tonne in 2024/25, this may be of a magnitude to affect consumer behaviour; and
- Transwaste has not yet completed its business planning for the year. Final forecasts will be updated in the final SOI.

Transwaste Canterbury – EBIT	2024/25 \$m	2025/26 \$m	2026/27 \$m
EBIT current draft SOI	21.2	21.4	22.2
EBIT last year's final SOI	21.2	21.4	-
Change in GDP forecasts (issued in December 2022 and 2023)	-0.6%	-0.5%	-

3.9 Staff note that there could be minor downside in the EBIT forecasts reflecting Treasury forecast GDP reductions (refer Half Year Economic and Fiscal Updates for 2022 and 2023). Transwaste has not provided any indication as to whether this will be the case or not.

Transwaste Canterbury – Dividends	2024/25 \$m	2025/26 \$m	2026/27 \$m
Dividends current draft SOI	13.8	13.8	13.9
Dividends current draft SOI	18.8	13.8	-

3.10 The draft SOI notes that capital of \$5 million held by the company as contingency relating to the closure of the Burwood Resource Recovery Plant in 2019 will be considered by the board for release to shareholders in 2024/25.

3.11 Whether the dividend will be impacted in relation to changes in EBIT is unknown.

Non-financial performance targets

3.12 The targets are in essence the same as last year with a few differences in the Environment target 5.1 as follows:

- the measure for ‘no proven breaches of Resource Management Act consents’ notified by ECAN has been expanded to include notified by Hurunui District Council;
- “to use the gas captured in a socially and economically sustainable way” has been amended from the exporting of electricity to being used for a beneficial purpose. This reflects that gas is now also being used beneficially for leachate treatment, and may in the future be used for other beneficial purposes such as hydrogen generation; and
- the target to increase the beneficial use by 25% over five years to 2029 compares with previous targets to increase electricity exported by 50% over three years. In part this reflects the impediments Transwaste has had over recent years in getting access to sufficient capacity to transmit to the electricity grid.

Options Considered Ngā Kōwhiringa Whaiwhakaaro

3.13 The only alternative option for the Joint Committee is to decline to review and comment on Transwaste’s draft SOI. In the absence of shareholder comments, the board will finalise the SOI and they will become part of the suite of accountability tools as it currently stands.

4. Financial Implications Ngā Hīraunga Rauemi

Capex/Opex Ngā Utu Whakahaere

4.1 There is no impact on Councils’ funding as a result of the draft SOI forecasts.

5. Considerations Ngā Whai Whakaaro

Risks and Mitigations Ngā Mōrearea me ngā Whakamātautau

5.1 SOIs are one of the key accountability tools between the Councils as shareholders in CCOs. They provide transparency to all stakeholders, including the community.

Legal Considerations Ngā Hīraunga ā-Ture

5.2 The statutory authority to undertake the decisions in the report stems from the LGA.

5.3 Other legal implications are the LGA’s SOI requirements in section 64 (purpose of SOI) and schedule 8, parts 1, 2 and 3 (timing, process and required content of SOI). The consistency of Transwaste’s draft SOI with these requirements is discussed in the body of this report.

Impact on Mana Whenua Ngā Whai Take Mana Whenua

5.4 The decisions do not involve a significant decision concerning ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Mana Whenua, their culture, and traditions.

5.5 The SOI includes a commitment to maintain good relations and consult with the community and interest groups, including tangata whenua.



Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

5.6 The decisions in this report are unlikely to contribute to adaptation to the impacts of climate change or emissions reductions. The SOIs are governance documents and do not of themselves create any incremental operational activity.

6. Next Steps Ngā Mahinga ā-muri

- 6.1 The board will consider any comments on the draft SOI made by the Joint Committee and thereafter finalise its SOI.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A  	Transwaste Canterbury Ltd - Draft Statement of Intent 2024/25	24/508351	43

In addition to the attached documents, the following background information is available:

Document Name – Location / File Link
Not applicable

Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Russell Holden - Head of Finance Bede Carran - General Manager Resources/Chief Financial Officer



Confidential and Commercially Sensitive

Canterbury Regional Landfill Joint Committee
Christchurch City Council
PO Box 73015
CHRISTCHURCH 8154

Attention: Councillor Mark Peters

29 February 2024

Dear Councillor Peters

**Transwaste Canterbury Limited
Draft Statement of Intent ("Sol") 2024/2025 to 2026/2027**

The draft Sol for the three years commencing 1 July 2024 is enclosed for the Committee's comment pursuant to Section 64 of the Local Government Act 2002.

We have forwarded the draft Sol to the Landfill Joint Committee as the representative of the TLA shareholders. We advise that we have also forwarded the draft Sol to Waste Management NZ Limited.

We note the following for the Committee's information:

- a) The general structure of the Sol is in line with last year, having had regard to the requirements in the Local Government Act.
- b) The Objectives and Performance targets for the 2024/25 year - Objectives. Section 5.1 – Environment – records the Board's objectives in relation to Environment and Sustainability, and in particular the measurement and certification of GHG emissions. Transwaste Canterbury has engaged and is working with Toitu Envirocare in this regard.
- c) The "Kate Valley" financial information in Sections 5.8, 5.9, 6.1 and 8.4 of the draft Sol is provisional, determined on the same base as the 2024/2025 indicative charges advised to shareholders in November 2023.
- d) Previous Sols had been prepared on a Group basis, encompassing Transwaste and BRRP. Following the completion of the project and subsequent amalgamation of BRRP into Transwaste, the 2024/2025 draft Sol relates solely to Transwaste Canterbury Limited as an entity. References to the completed BRRP project are limited to Sections 4.4 and 8.3, relating to the potential distribution of the reserves still held.

e) The 2024/2025 detailed budgets for the company will be completed prior to, and the results included in, the finalised Sol, which is due to be delivered to shareholders by 30 June 2024.

f) We will outline any significant changes when the finalised Sol is distributed.

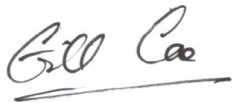
Pursuant to section 64(4) of the Local Government Act, your comments or confirmation of your agreement with the draft Sol should be received by Transwaste Canterbury by 1 May 2024. The finalised Sol will then be delivered to shareholders on or before 30 June 2024.

I would be pleased to attend the next CRLJC meeting to update Committee members as required.

If, in the meantime, you have any queries on the above, please do not hesitate to contact the writer.

Yours faithfully

Transwaste Canterbury Limited



Gill Cox

Chairman

Confidential and Commercially Sensitive

Transwaste Canterbury Limited

Statement of Intent

For the three-year period ending 30 June 2027



Issued by the Transwaste Canterbury Board on 27 June 2024

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Item 5

Attachment A

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1. Introduction

- 1.1. The Statement of Intent process provides a key opportunity for the shareholders and Directors of Transwaste Canterbury Limited (the Company or Transwaste) to define the Company's path for the next three years. It is prepared in accordance with Section 64 of the Local Government Act 2002. A draft statement is required by Section 64 to be submitted no later than 1 March each year to the Company's shareholders.
- 1.2. The Statement of Intent further defines for the Company the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the Company may be judged in relation to its objectives amongst other requirements. The process of negotiation and determination of an acceptable Statement of Intent is a public and legislative expression of the accountability relationship between the Company and its shareholders.
- 1.3. The Statement of Intent encompasses all the significant activities of Transwaste Canterbury Limited and covers a three-year future period. It is prepared annually by the Transwaste Board and negotiated between the shareholders.

2. Objectives

The Company is focused strongly on its commitment to sustainability/sustainable development.

Transwaste's sustainability goals relate to its own activities and actions rather than the consequences of absolute tonnes received in its landfilling business. Transwaste does not, and cannot, control tonnages received as it has a contractual requirement to accept waste from the community. Transwaste endeavours to minimize the environmental impact of the tonnes it receives and so help reduce the emissions generated by the community.

While Transwaste has no control over the quantities of waste it receives, it continues to actively support waste minimisation within the Canterbury region, including with its customers, which includes Shareholder Councils

In respect of sustainability/sustainable development the Board is guided by the definition in the World Commission on Environment and Development 1987 Brundtland report "Our Common Future". While this Report is now some 37 years old, in the opinion of the Board it best captures the spirit of sustainability in commercial organisations. The Report defines sustainable development as "*development that meet the needs of the present without compromising the ability of future generations to meet its own needs.*"

Adopting this definition requires a broad, holistic approach to sustainability/sustainable development, balancing the focus of managing the business across all areas of operation of Transwaste's business. We have developed these goals taking into account the operational and management role of our principal contractor, Waste Management NZ Limited ("WM New Zealand"), and the relevant global Sustainable Goals published by United Nations.

This has resulted in the business goals (outcomes) and related performance measures for Transwaste being grouped under the following headings:

- Environment
- Corporate Citizenship/ Community Relations
- Service Quality
- Health and Safety

- Good Employer
- Consultation/Communication
- Legislation/Regulatory Compliance
- Shareholder Interests

The detailed outcomes, performance measures and performance targets for each of these headings are included in section 5 of this Sol. It is by understanding the various goals/outcomes and performance measures incorporated under the above eight headings, and viewing these as an integrated whole, that Transwaste's approach to, and management of, "sustainability" can be evaluated.

Inevitably, in considering sustainability in relation to principally a landfilling business operation, those evaluating Transwaste will want to focus in two broad areas -

1. Greenhouse Gas emissions created by Transwaste and/or its principal contractor through managing and disposing of waste generated by others in the community.
2. Greenhouse Gas emissions (primarily methane) generated by the waste delivered to landfill by Shareholders and external parties.

Transwaste maintains that technically the responsibility for and obligation to minimise the emission generating inputs generated by the waste itself should remain with the persons or organisations that created the waste (or arguably even further "back" in the waste stream). Transwaste's obligations and objectives are to minimise the net emission per unit of waste received in order to minimise total emissions of Transwaste and its shareholders.

With this in mind, Transwaste has developed desired outcomes and performance measures for the emissions from this waste. This will include reporting both:

- gross and net Greenhouse Gas emissions from the waste delivered to landfill; and
- the Greenhouse Gas emissions created by Transwaste handling the waste

for each of the five territorial local authorities' areas served by the Kate Valley regional landfill.

In addition to this "sustainability lens" on the activities of Transwaste, a more traditional view of Transwaste's objectives is provided by the Memorandum of Understanding between the Shareholders that is a guiding document as to the way the Company performs its activities.

Currently (although subject to further consideration of its strategic direction) the purpose of the Company is "to operate as a successful, competitive, commercial landfill, adopting a focus on sustainable development in all that it does."

To do this the Company intends:

- 2.1 To operate as a successful, competitive, commercial landfill.
- 2.2 That, in working to its objectives, the Company will adopt a focus on sustainable development in all its activities.
- 2.3 To achieve this, the Company intends to:
 - (a) achieve sufficient earnings to support the Company's continued operations and to return an appropriate risk adjusted return on investment;

- (b) be market responsive as regarding the demand for its services in terms of the criteria of quantity, quality, and price;
- (c) behave in an environmentally aware manner promoting and maintaining the standards of environmental protection applied by the Resource Management Act 1991 and to minimise the impact of its activities on the environment;
- (d) act as a good employer;
- (e) aim to provide customers with a high level of service, a reliable transport system and competitive prices;
- (f) commit to consult with and be sensitive to the concerns of landfill host communities and Tangata Whenua;
- (g) promote and maintain standards of health and safety in accordance with all applicable regulations, legislation and including best practice;
- (h) act as a good corporate citizen with regard to its business dealings and relations;
- (i) be able, in due course, to offer waste management facilities and solutions at all levels in the Canterbury Region that are adjacent/allied to Transwaste's core business and are relevant.

Transwaste has engaged Toitū Envirocare to verify and certify its carbon footprint.

3. The Board's approach to governance of the Company

- 3.1 The Directors are responsible to the shareholders for the achievement of the objectives of the Company in both the short and the longer term. Their focus is to enhance the commercial interests of shareholders and other key stakeholders and to ensure the Company is properly managed. The Board draws on relevant corporate governance best practice principles to assist and contribute to the performance of the Company. The functions of the Board include:
- (a) Review and approval of corporate strategies, the annual budget, and financial plans.
 - (b) Overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives, in particular as outlined in the Statement of Intent.
 - (c) Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors.
 - (d) Ensuring there are effective management processes in place and approving major corporate initiatives.
 - (e) Enhancing and protecting the reputation of the Company.
 - (f) Ensuring the significant risks facing Transwaste and any controlled entities have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place.
 - (g) Reporting to shareholders.

- (h) Developing appropriate policies for the operation of the Company including safety, environmental and quality matters.

A description of Transwaste's main corporate governance practices is set out below.

3.2 The Board of Directors

The composition of the Transwaste Board of Directors, including the appointment of a Chairman, is governed by the Memorandum of Understanding between the shareholders. There are no executive directors.

3.3 Operations

The Board has a statutory responsibility for the affairs and activities of the Company.

All matters relating to the operation of the Kate Valley landfill and the operation of the transport system have been contracted to WM New Zealand in accordance with the Memorandum of Understanding and Shareholder Agreement. The Board receives monthly reports on matters including:

- a) Operations management and health and safety.
- b) Financial results and budgets.
- c) Compliance with legislation including health and safety regulations and resource consent conditions.

3.4 Committees

The Board establishes committees as appropriate to assist in the execution of its duties and to allow detailed consideration of complex issues. There is currently one committee, being an Audit Committee comprised of three Transwaste Directors and an independent Chair.

The Board has identified key business risks and developed policies and action plans to manage the risk.

The Audit Committee will monitor progress against an established timetable. In addition, the committee will set the scope and standards with respect to internal controls, accounting policies and the nature, scope, objectives and functions of the external and internal audit. The committee meets as and when required.

All matters determined by committee are either dealt with under its delegated authority or submitted to the full Board as recommendations for Board decision.

3.5 Subsidiaries

The Company has 6 fully owned non-trading subsidiaries, all of which remain inactive and have no assets and liabilities.

3.6 Commitment

The Transwaste Board is scheduled to meet eleven times a year. Other special meetings are convened, as required.

3.7 Independent Professional Advice

Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at Transwaste's expense, subject to Board approval.

4. Nature & Scope of Activities

The Company will undertake the following activities:

4.1 Landfill and Transport Activities

- (a) The primary activity of the Company is to own and operate a non-hazardous municipal waste regional landfill at Kate Valley in Canterbury, including the haulage of solid wastes from transfer stations throughout the Canterbury region, to meet or exceed world best practice standards and the standards determined by the regulatory authorities;
- (b) Contract with Waste Management NZ Limited for the provision of services for the operation of the Kate Valley landfill and the haulage of waste from the transfer stations to the landfill, to ensure provision of high quality landfill operations and solid waste haulage operations economically and efficiently and in compliance with relevant consents;
- (c) Offer residual waste management facilities and solutions at all levels in the Canterbury Region, and beyond, including investment in alternatives to landfilling should those alternatives be more environmentally sustainable and cost effective methods of disposal of residual waste (in due course); and
- (d) Utilise the landfill gas produced over time from the landfill in an economically and environmentally sustainable manner.

4.2 Land Management Activities

(a) Land Resources

The Company, through its Tiromoana Station division, holds land in addition to that required under the current resource consent conditions for the Kate Valley landfill. The management of the land will continue to be conducted in accordance with the Company's land strategy and management plan, which seeks to optimise both the utilisation of the land resources for the benefit of landfill operations and the value of the property over time.

(b) Forestry

The Company will conduct forestry operations in terms of its long term forestry plan, which is an integral part of the Kate Valley landfill activities.

4.3 Conservation and Education Activities

(a) Conservation Activities

The Company will continue to develop the Tiromoana Bush native forest re-establishment and public recreation concept, including ongoing development and maintenance of both the Tiromoana Bush walkway and the Mt Cass walkway.

(b) Education Activities

The Company will develop appropriate strategies to provide learning resources and contextual learning activities from primary through to tertiary level and to the community.

4.4 Earthquake Waste Management

The Burwood project was completed, and the site handed back to Christchurch City Council during the 2021/2022 Sol period.

Approximately \$5,000,000 Retained Earnings has been held in reserve as a contingency for any unforeseen matters arising in respect to the project. Subject to there being no unforeseen matters or additional capital requirements, the Board will consider distributing the \$5,000,000 to Shareholders during the 2024/2025 financial year.

5 Objectives and performance targets for the 2024/2025 year

These detailed targets are to be read in the context of the explanation about sustainability/sustainable development included in section 2 – Objectives of this Sol.

Objective in support of Mission Statement		Desired outcomes	Performance measure	Performance target
Environment				
5.1	To ensure that Transwaste, as a minimum, meets present and future environmental standards in a manner which is consistent with the preservation of the natural environment and the careful and sustainable management of its natural resources.	No proven breaches of Resource Management Act consents.	Number of established consent breaches notified by ECan or Hurunui District Council.	Nil.
	Support New Zealand's "Predator Free by 2050" goal.	Predator Free by 2050		
	(a) Regular culling of large mammal pests from Kate Valley & Tiromoana Bush.	Limit large mammal pests (pigs and deer) to low levels in Tiromoana Bush.	Impact on restoration plantings and natural regeneration	No adverse impacts on restoration plantings from deer and pig rooting (such damage being evident in <5% of vegetation monitoring plots).
	(b) Regular trapping of small mammal pests from Kate Valley and Tiromoana Bush.	Small mammal pests (mustelids, rodents, possums, cats, hedgehogs) reduced to levels that have minimum impact on native biodiversity in Tiromoana Bush.	The abundance of bird life (as indicated by remeasuring of the bird monitoring transects) is greater than the 2005-2009 baseline for bellbird and grey warbler.	Increase in abundance of birdlife.

Objective in support of Mission Statement		Desired outcomes	Performance measure	Performance target
	Maintain and/or reduce Green House Emission intensity.	Measure Transwaste's carbon footprint.	An independent certifier has been engaged to provide carbon measurement and management certification services.	Annual audit and adoption of appropriate KPIs for measurement of progress.
	To use the gas captured in a socially and economically sustainable way.	<p>Maximise capture and destruction of landfill gas from Kate Valley landfill.</p> <p>Reduce GHG emissions from Controlled Waste haulage</p> <p>To ensure the beneficial use of landfill gas to obtain the best economic value.</p>	<p>Transwaste manages the waste produced by others in an environmentally sustainable manner that includes maximizing the capture and destruction of methane resulting from the decomposition of that waste, through generation of renewable energy and flaring, as measured in accordance with the regulations to the Climate Change Response Act 2002.</p> <p>When WM New Zealand haulage vehicles replaced in accordance with replacement programme moving from certification Euro 4 and 5 to Euro 6.</p> <p>Volume of landfill gas used for a beneficial purpose.</p>	<p>Ensure the capture and destruction of in excess of 95% of landfill gas produced by Kate Valley landfill as measured by the methodology applicable for the ETS reporting period.</p> <p>Maintain or improve average Euro emission rate of WM New Zealand fleet.</p> <p>Increase the beneficial use of landfill gas by 25% over the five year period to 2029.</p>
	Generate carbon offsets via commercial and indigenous forestry (secondary to reducing Green House Gas Emission intensity noted above).	<p>Exotic Forestry (increase in carbon sequestration, subject to harvest and replanting).</p> <p>Tiromoana Bush (ongoing planting, growth of native trees, bush).</p>	<p>Measure NZUs credits (currently measured every 5 years, last measurement prepared at 31 December 2022)</p> <p>Increase the area of native growth between measurement periods.</p>	<p>Monitor and report the tonnage of carbon sequestered (measured by accrual of ETS units).</p> <p>Monitor and report the tonnage of carbon sequestered</p>

Objective in support of Mission Statement		Desired outcomes	Performance measure	Performance target
		Report annually carbon emissions attributable to the waste received from each Territorial Local Authority area, both before and after carbon reduction initiatives.	Annual Report on carbon emissions to Territorial Local Authorities.	(measured by accrual of ETS units). Report on attribution of carbon emissions to Territorial Local Authorities.
Corporate Citizenship/Community Relations				
5.2	To be a responsible Corporate Citizen by acting fairly and honestly and to be sensitive to local issues.	Finance the Kate Valley Landfill Community Trust (from the Disposal Charge) for the purpose of benefiting the local community. Develop, maintain, and promote the use of education material with regard to waste management and the environment. Plan for sites aftercare and closure – financially and revenue streams.	Annual payments to Kate Valley Landfill Community Trust. Evidence the education material is being used in schools. Adequate provisioning in financial statements for aftercare and closure costs.	Annual payments made. Material is being used by schools. Financial provisioning stands up to audit scrutiny.
Service Quality				
5.3	Meet the present and future needs of the people of Canterbury with high standards of value, quality and service and establish effective relations with customers.	Timely, high quality and reliable waste transport services. Reliability of access to the Kate Valley landfill.	No transfer station is unable to receive waste during its normal operating hours due to Transwaste's failure to supply containers. Proportion of normal transport access hours that landfill is available to waste transporters.	Zero events. More than 99% of normal annual transport access hours.

Objective in support of Mission Statement		Desired outcomes	Performance measure	Performance target
Health and Safety				
5.4	Strive for zero injury accidents in all operations the Company and its main contractor, WM New Zealand, will be responsible for, whilst maintaining a high level of service and production.	<p>Ensuring that in all activities the Company and its contractors have Health and Safety Management Plans in place.</p> <p>Maintain Kate Valley public walkways to an acceptable standard, (track maintenance, signage).</p> <p>No traffic incidents where WM New Zealand drivers at fault.</p>	<p>TRIFR - Total recordable injury frequency rate for last 12 months.</p> <p>Annual operational plans objectives met.</p> <p>Number of at-fault incidents.</p>	<p>Maintain or improve current TRIFR.</p> <p>No serious avoidable injuries.</p> <p>Zero events.</p>
Good Employer				
5.5	Be a Good Employer, through either direct employment or by way of the management contract with WM New Zealand.	<p>Ensure WM New Zealand has objectives and policies that detail the relationship with employees, their remuneration, safety, and other issues such as equal opportunity in employment.</p> <p>Ensuring that its employees have secure and rewarding employment which provides the means for personal development.</p>	<p>WM New Zealand landfill and transport staff annual FTE turnover.</p> <p>WM New Zealand staff annual hours of training.</p>	<p>No more than 15% annual turnover.</p> <p>10 hours per FTE annually.</p>

Objective in support of Mission Statement		Desired outcomes	Performance measure	Performance target
Consultation/Communication				
5.6	Establish and maintain good relations with the local host community of the Kate Valley landfill and consult with those groups and other interest groups (including Tangata Whenua) on issues that are likely to affect them.	Consult with the host community concerning landfill operations by way of direct communication and via the Community Liaison Group. Engage with other interest groups, including Tangata Whenua, and discuss all issues likely to affect them.	Number of Kate Valley Community Liaison Group meetings held. Three interactions with interest groups per year.	At least 2 per year. Meet measure.
Legislative/Statutory Compliance				
5.7	To be a good Corporate Citizen by acting lawfully, to ensure compliance with all relevant legislative requirements.	Monthly reporting to Board of any non-compliance. No legislative and statutory non-compliance notices received.	Monthly reporting to Board of any non-compliance. Number of legislative and statutory non-compliance notices received.	Monthly reports received. No non-compliance in all key areas
Shareholder Interests				
5.8	To operate a successful business, providing a fair rate of return to its shareholders	To effectively operate the consented regional landfill at Kate Valley to achieve specific commercial performance targets.	As outlined in section 5.9 (For the 2024/25 year) - Total Revenue (inclusive of waste levy) - EBIT - Dividends paid (Kate Valley)	\$77,049,000 \$21,164,000 \$13,800,000

5.9 Financial performance targets

The financial performance targets for the Kate Valley landfill operations of the Company are set out below.

		2024/2025	2025/2026	2026/2027
		\$'000	\$'000	\$'000
	Total revenue inclusive of waste levy ¹	77,049	78,466	78,505
	Total revenue exclusive of waste levy	56,325	57,898	58,091
	EBIT	21,164	21,383	22,204
	Dividends payable	13,800	13,800	13,900

1 – inclusive of waste levy increases

The forecasted figures for the 2025/2026 and 2026/2027 years are based on existing information. The actual figures will result from future factors largely outside the control or current knowledge of the Company and as such, may vary significantly from those forecast.

6 Capital structure

6.1 Ratio

The Company will endeavour to operate with a ratio of consolidated Shareholders' Funds to Total Assets as set out below.

	2024/2025	2025/2026	2026/2027
Shareholders' Funds to Total Assets	34.0%*	35.0%	37.1%

* - reduced from prior year due to impact of the anticipated final BRRP project dividend of \$5m and significant capital expenditure in the period

6.2 Definition

Consolidated Shareholders' Funds are defined as the sum of the amount of paid-up share capital, retained earnings, accumulated losses, revenue, and capital reserves. The Total Assets are defined as the sum of the net book values of current assets, investments, property, plant and equipment and intangible assets. The items making up the definitions are as disclosed in the Company's statement of financial position prepared on a consolidated basis and in accordance with generally accepted accounting practice.

6.3 No calls on capital from Shareholders are anticipated during the next three-year period.

7 Accounting policies

7.1 Transwaste Canterbury Limited has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards and generally accepted accounting practice. The policies are set out in the 2023 Transwaste Canterbury Limited Annual Report.

8 Dividend policy

8.1 Profit retention and the level of dividend to be paid will be decided from year to year by the Directors in accordance with the results, circumstances prevailing and the requirement to meet the solvency test under the provisions of the Companies Act 1993. The dividend policy objective is to ensure that the amount of the dividend does not limit the Company's ability to fund future expenditure requirements by itself or with its associates for maintaining and expanding operations in the environmental services business and servicing the Company's resultant debt structure.

8.2 Subject to clause 8.1, it is expected that 100% of the Company's Profit for the year, after retention of working capital and/or retention of funds for any other operational needs of the landfill and after tax, in each year will be distributed out of retained earnings unless the Board considers that an investment opportunity in relation to the landfill and transport operations and alternatives to landfilling will provide an appropriate risk adjusted return on investment. An interim dividend may be paid after the half yearly accounts have been considered by the Directors.

- 8.3 In respect of the now completed BRRP project, retained earnings of approximately \$5,000,000 have been held in reserve as a contingency for any unforeseen matters arising in respect to the project. Subject to there being no unforeseen matters or additional capital requirements, the Board will consider distributing the \$5,000,000 to Shareholders during the 2024/2025 financial year.

- 8.4 Indicative dividends to shareholders are set out below.

		2024/2025 \$'000	2025/2026 \$'000	2026/2027 \$'000
	Indicative dividends			
	- Final from prior year	6,800	7,000	6,800
	- Interim for current year	7,000	6,800	7,100
	- BRRP final project dividend	5,000	-	-
	Total	18,800	13,800	13,900

9 Information to be provided to the shareholders

9.1 Statutory information requirements

Annual Statement of Intent

No later than 1 March of each year the Board will provide a draft Statement of Intent in accordance with Section 64 of the Local Government Act. The Directors will consider comments from the Shareholders on the draft Sol made within two months and not later than 30 June of each year shall deliver the final Sol to the shareholders.

Half Yearly Reports

Within two months after the end of the first half of each financial year the Board will deliver an unaudited half-yearly report to the shareholders. The consolidated financial statements will be the same as required under Section 69 for annual financial statements. This will consist of:

- (a) report on the operations of the Company during the financial period;
- (b) financial statements prepared in accordance with generally accepted accounting practice;
- (c) comparison of the performance of the organisation and its subsidiaries (if any) with the statement of intent, together with an explanation of any material variations; and
- (d) a dividend recommendation for the period to which the report relates.

Annual Reports

Within three months after the end of each financial year, the Board will deliver an annual report to the shareholders. The content of the report will be pursuant to Sections 67 to 69 and will consist of:

- (a) report on the operations of the Company during the financial period;
- (b) financial statements prepared in accordance with generally accepted accounting practice;
- (c) comparison of the performance of the organisation and its subsidiaries (if any) with the statement of intent together with an explanation of any material variations;
- (d) a dividend recommendation for the period to which the report relates;
- (e) Auditors' Report on the above financial statements and the performance targets and other measures by which the performance of the Company has been judged in relation to objectives; and
- (f) an Annual Review. The Annual Review will be in a format suitable for easy reading and consist of:
 - i. A Chairman's Review and information on governance and management.
 - ii. A section on economic performance for the preceding financial year.
 - iii. A section on social performance for the preceding financial year.
 - iv. A section on environmental performance for the preceding financial year.

9.2 Other information

The Company will disclose as much information on its operations as is practical and consistent with commercial and confidentiality considerations. The Company will endeavour to operate on a "no surprises" basis regarding all issues of relevance to shareholders.

10 Estimate of the commercial value of the Company

- 10.1 The directors estimate that the commercial value of the shareholders' investment in the Company is at least that which is stated as "Shareholder Equity" in the latest available audited financial statements. This value is reassessed annually as part of the preparation of the audited financial statements.

6. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.

Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

“(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):

- (a) Shall be available to any member of the public who is present; and
- (b) Shall form part of the minutes of the local authority.”

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE REVIEWED FOR POTENTIAL RELEASE
7.	PUBLIC EXCLUDED CANTERBURY REGIONAL LANDFILL JOINT COMMITTEE MINUTES - 21 AUGUST 2023			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
8.	APPOINTMENT OF A NEW INDEPENDENT DIRECTOR TO THE TRANSWASTE CANTERBURY LIMITED BOARD	S7(2)(A)	PROTECTION OF PRIVACY OF NATURAL PERSONS	PROTECTION OF PRIVACY OF NAMED PERSONS	ON APPOINTMENT OF A NEW TRANSWASTE CANTERBURY LIMITED BOARD CHAIR AT THEIR BOARD MEETING IN NOVEMBER.
9.	VERBAL UPDATE FROM TRANSWASTE CANTERBURY LIMITED	S7(2)(H)	COMMERCIAL ACTIVITIES	THE VERBAL UPDATE PROVIDES AN OPPORTUNITY FOR DISCUSSION OF ISSUES BY THE TRANSWASTE BOARD CHAIR WHICH, IF MADE IN OPEN, COULD PREJUDICE THE COMMERCIAL ACTIVITIES OF THE COMPANY.	ANY RELATED INFORMATION WILL BE RELEASED WITH THE RELEVANT STAFF REPORT AS AND WHEN IT IS RELEASED.