

## **Canterbury Regional Landfill Joint Committee**

### **AGENDA**

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#### **Notice of Meeting:**

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

**Date:** Monday 12 April 2021  
**Time:** 10am  
**Venue:** Committee Room 2, Level 2, Civic Offices,  
53 Hereford Street, Christchurch

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#### **Membership**

Chairperson Councillor Jimmy Chen - Christchurch City Council  
Members Councillor Robbie Brine - Waimakariri District Council  
Councillor Sam MacDonald - Christchurch City Council  
Councillor Liz McMillan - Ashburton District Council  
Councillor Phil Mauger - Christchurch City Council  
Councillor Grant Miller - Selwyn District Council  
Councillor Michael Ward - Hurunui District Council

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**7 April 2021**

Petrea Downey  
Committee Advisor  
941 8529  
petrea.downey@ccc.govt.nz  
[www.ccc.govt.nz](http://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.

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### Karakia Whakamutunga

## Karakia Timatanga

### 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, 10 August 2020](#) be confirmed (refer page 5).

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## Canterbury Regional Landfill Joint Committee OPEN MINUTES

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**Date:** Monday 10 August 2020  
**Time:** 9.38am  
**Venue:** Committee Room 2, Level 2, Civic Offices,  
53 Hereford Street, Christchurch

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**Present**

Chairperson Councillor Jimmy Chen - Christchurch City Council  
Members Councillor Robbie Brine - Waimakariri District Council  
Councillor Sam MacDonald - Christchurch City Council  
Councillor Phil Mauger - Christchurch City Council  
Councillor Grant Miller - Selwyn District Council  
Councillor Michael Ward - Hurunui District Council

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10 August 2020

Petrea Downey  
Committee Hearings Advisor  
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## Karakia Timatanga:

Given by Councillor Chen

The agenda was dealt with in the following order.

### 1. Apologies / Ngā Whakapāha

#### Joint Committee Resolved CRLC/2020/00005

That the apologies received from Councillor McMillan for absence and Councillor Mauger for lateness be accepted.

Councillor Miller/Councillor MacDonald

Carried

### 2. Declarations of Interest / Ngā Whakapuaki Aronga

Councillor Miller declared an interest in items 4, 5 and 10 of the open and public excluded agendas.

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

#### Joint Committee Resolved CRLC/2020/00006

That the minutes of the Canterbury Regional Landfill Joint Committee meeting held on Friday, 14 February 2020 be confirmed.

Councillor Miller/Councillor Ward

Carried

### 6. Review of the Constituting Agreement of the Committee

#### Joint Committee Resolved CRLC/2020/00007 (Original Staff Recommendation accepted without change)

That the Canterbury Regional Landfill Joint Committee:

1. Supports amending the Constituting Agreement to permit attendance at meetings by audio or video links; and
2. Requests member Councils to formally endorse such a change as soon as possible.

Councillor MacDonald/Councillor Ward

Carried

#### Joint Committee Decided CRLC/2020/00008

That the Council:

1. Supports amending the Constituting Agreement to permit attendance at meetings by audio or video links; and
2. Requests member Councils to formally endorse such a change as soon as possible.

Councillor MacDonald/Councillor Ward

Carried

## 7. Appointment of representative to attend Transwaste Canterbury Ltd Annual General Meeting

### Officer Recommendations / Ngā Tūtohu

That the Canterbury Regional Landfill Joint Committee:

1. Appoint a member of the Committee to attend and vote at the Transwaste Canterbury Ltd Annual General Meeting in November 2020.
2. Appoint a member of the Committee as an alternate, if the person appointed in recommendation 1 is unable to attend.

### Joint Committee Resolved CRLC/2020/00009

That the Canterbury Regional Landfill Joint Committee:

1. Appoint Councillor MacDonald to attend and vote at the Transwaste Canterbury Ltd Annual General Meeting in November 2020.
2. Appoint Councillor Chen as an alternate, if the person appointed in recommendation 1 is unable to attend.

Councillor Ward/Councillor Brine

Carried

## 8. Landfill Transport Costs

### Joint Committee Resolved CRLC/2020/00010 (Original Staff Recommendation accepted without change)

That the Canterbury Regional Landfill Joint Committee:

1. Approve the 2019/20 transport cost payments to Ashburton and Selwyn District Councils as set out in the report:
  - a. Ashburton District Council \$177,229.86
  - b. Selwyn District Council \$59,773.42.
2. Request Transwaste Canterbury Limited to implement the payments set out above, by adjusting its dividend payments to the participating territorial authority shareholders.

Councillor Chen/Councillor Brine

Carried

#### **4. Transwaste Canterbury Ltd - Half year (Interim) Report to 31 December 2019**

**Joint Committee Resolved CRLC/2020/00011 (Original Staff Recommendation accepted without change)**

That the Canterbury Regional Landfill Joint Committee:

1. Notes Transwaste Canterbury Ltd's half year (Interim) Report for the six months ended 31 December 2019.

Councillor MacDonald/Councillor Ward

Carried

#### **5. Transwaste Canterbury Ltd - Final Statement of Intent**

The Committee commenced discussion on this item.

The meeting adjourned at 10.25am during discussion on item 5 and reconvened at 10.44am

#### **9. Resolution to Exclude the Public**

**Joint Committee Resolved CRLC/2020/00012**

That Gill Cox, Chair of Transwaste Canterbury and Gareth James, Director of Transwaste Canterbury, and Ross Pickworth of Transwaste Canterbury and Rangi Lord of Waste Management NZ and Garry Forward of Transwaste Canterbury, remain after the public have been excluded for Item 10. of the public excluded agenda as they have knowledge that is relevant to that item and will assist the Council.

**AND**

That at 10.45am the resolution to exclude the public set out on pages 85 to 86 of the agenda be adopted.

Councillor Chen/Councillor Brine

Carried

**The public were re-admitted to the meeting at 11.59am.**

## 5. Transwaste Canterbury Ltd - Final Statement of Intent Committee Comment

1. The Council continued discussion and consideration on this item.
2. The Committee discussed quarterly reporting and decided not to pursue this at this time.

### **Joint Committee Resolved CRLC/2020/00013 (Original Staff Recommendation accepted without change)**

That the Canterbury Regional Landfill Joint Committee:

1. Receive Transwaste Canterbury Ltd's final Statement of Intent for 2020/21.

Councillor Ward/Councillor Brine

Carried

### **Karakia Whakamutunga:**

Given by Councillor Chen.

**Meeting concluded at 12 noon.**

**CONFIRMED THIS 12<sup>TH</sup> DAY OF APRIL 2021**

Unconfirmed



## 4. Transwaste Canterbury Ltd - Performance report for the half year 1 July to 31 December 2020

Reference / Te Tohutoro: 21/235541

Report of / Te Pou Matua: Linda Gibb, Performance Advisor, Finance and Commercial

General Manager / Pouwhakarae: Diane Brandish, Acting General Manager, Resources (Acting CFO)

### 1. Brief Summary

#### Transwaste Canterbury Ltd

- 1.1 Transwaste's Interim Report for the half year to 31 December 2020 is at **Attachment A** together with the board's covering letter at **Attachment B**. The following table sets out the key financial performance for the period:

	Actual \$m	Target \$m	Variance \$m	Last year \$m	Variance \$m
Total Revenue	27.1	21.8	+5.3	26.2	+0.9
Net profit before tax (NPBT)	8.2	-	-	9.5	-1.3

- 1.2 **Against target** - Transwaste does not state nor report against interim targets. Instead, it advises whether it is or is not on track to meet its full year target. However, staff understand that there is little seasonality in the business and therefore it is appropriate to assume 50% of operating cost and revenue forecasts for the half year.
- 1.3 On this basis, total revenue earned is well ahead of target by \$5.3 million. This is mostly due to volume of waste being 23% above expectations reflecting economic activity (and therefore waste generated) higher than assumed in the SOI forecasts (which took into account expected COVID-19 impacts). This is expected to pull back in the second half of the year.
- 1.4 Transwaste has advised its expectations are for its profit to come in just above budget despite increased closure costs for the Burwood Resource Recovery Park (BRRP). These costs have arisen from delays in getting required regulatory approvals for final disposal of material and higher closures costs than expected (delays in approvals are not from Christchurch City Council).

**Against last year**, NPBT is lower by \$1.3 million reflecting costs in 2020 for finalising and closing the BRRP.

#### Dividends

	Actual \$m	Target \$m	Last year \$m
Dividends (to all shareholders)	7.1	22.0	11.7

- 1.5 As a result of the additional BRRP closure costs, the forecast dividend from that facility (\$11.7 million) may be lower by up to \$1 million.

- 1.6 Transwaste advises that it has met or is on track to meet all but two of its many non-financial performance targets by the end of the financial year with the following noted:
- its target to successfully close the BRRP in the current financial year has been deferred until the first half of the 2021/22 financial year due to delays in approvals for final disposal of material. It is now expected to be handed back on 31 December 2021; and
  - there was an incident of minor damage to a third party vehicle by a contractor which has led to the performance target 'no traffic incidents where Transwaste's main contractor Canterbury Waste Services' drivers are at fault' not able to be met.

## 2. Officer Recommendations / Ngā Tūtohu

That the Canterbury Regional Landfill Joint Committee:

- Receives the Transwaste Canterbury Ltd's Interim Report for the six months ending 31 December 2020.

## Attachments / Ngā Tāpirihanga

No.	Title	Page
A <a href="#">↓</a>	Transwaste Canterbury Ltd - Interim Report for the period 1 July-31 December 2020	13
B <a href="#">↓</a>	Transwaste Canterbury Ltd - Letter from the Board to the Joint Committee with Interim Report	40

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

Document Name	Location / File Link
<enter document name>	<enter location/hyperlink>

## Confirmation of Statutory Compliance / Te Whakatūrutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- 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

<b>Author</b>	Linda Gibb - Performance Monitoring Advisor CCO
<b>Approved By</b>	Len Van Hout - Manager External Reporting & Governance Bruce Moher - Head of Financial Management Diane Brandish - Acting General Manager Finance and Commercial (CFO)

Transwaste Canterbury Limited

Consolidated Interim Report

For the six months ended 31 December 2020



The Board of Directors is pleased to present the Interim Report of Transwaste Canterbury Limited for the six months ended 31 December 2020

*Transwaste Canterbury Limited  
Interim Report*

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(2)

Transwaste Canterbury Limited  
Interim Report

## Directory

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<b>Company Number</b>	951024																		
<b>Registered Office and Address for Service</b>	PricewaterhouseCoopers Level 4, 60 Cashel Street Christchurch 8013																		
<b>Directors</b>	Mr W G Cox (Chairperson) Mr P S Mauger Mr G S James Mr I G Kennedy Mr R B McKenzie (finished 31 December 2020) Mr T H Nickels Mr R A Pickworth Mr G S Miller Mrs M E Cadman (alternate director) Mr H E G Maehl (alternate director, commenced as director 31 December 2020)																		
<b>Shareholders</b>	<table><thead><tr><th></th><th><b>No of Shares (Ordinary)</b></th></tr></thead><tbody><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/></td></tr><tr><td></td><td>20,000,000</td></tr></tbody></table>		<b>No of Shares (Ordinary)</b>	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
	<b>No of Shares (Ordinary)</b>																		
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																		
<b>Company Secretary</b>	PricewaterhouseCoopers Level 4, 60 Cashel Street Christchurch 8013																		
<b>Auditors</b>	Audit New Zealand on behalf of the Auditor-General																		
<b>Solicitors</b>	Buddle Findlay 83 Victoria Street Christchurch Chapman Tripp Level 5, 60 Cashel Street Christchurch 8013																		
<b>Bankers</b>	Westpac Banking Corporation 83 Cashel Street Christchurch 8011																		
<b>Principal Activity</b>	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 2020

Your Directors take pleasure in presenting their Interim Report including the financial statements of the group for the six months ended 31 December 2020.

**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 has one 100% owned operating subsidiary, Burwood Resource Recovery Park Limited (BRRP), which is a company set up to operate a Christchurch Earthquake demolition waste material management and recovery facility and to operate a landfill for disposal of residual demolition waste.

In addition, there are a further six wholly owned subsidiaries, all of which are inactive and have no assets and liabilities.

**State of Affairs** The nature of the group's business activities remained unchanged during the accounting period.

In relation to the subsidiary, Burwood Resource Recovery Park Limited, the company stopped receiving earthquake related demolition waste on 20 December 2019.

The BRRP operations continue to be prepared on a going concern basis as, whilst it has ceased the receipt of earthquake waste, the subsidiary will continue with the progressive closure, capping and landscaping of the landfill cells throughout the 2021 year, at which point the site will be handed back to Christchurch City Council.

Burwood Resource Recovery Park Limited has sufficient cash resources to meet any known or potential future costs.

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

### Directors' Remuneration

	6 months	
	Directors Fees	Other Remuneration
	\$	\$
Mr W G Cox	37,107	-
Mr P S Mauger	18,553	-
Mr R B McKenzie	21,554*	-
Mr T H Nickels	18,553*	-
Mr G S James	20,054*	-
Mr I G Kennedy	18,553*	-
Mr G S Miller	18,553	-
Mr R A Pickworth	20,054	-
Mrs M E Cadman (alternate)	-	-
Mr H E G Maehl	-	-

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

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Transwaste Canterbury Limited  
Interim Report

**Directors' Report to the Shareholders (Continued)**  
For the six months ended 31 December 2020

All directors' fees are in respect of the parent company. Board members who are appointed by the parent to represent it on the board of a subsidiary do not receive additional directors' fees. The boards of the subsidiary, BRRP, comprises all members of the Transwaste Board, except for the alternate director, Mrs M E Cadman.

No other remuneration or benefits have been paid to directors. The fees and remuneration have been entered in the interests register.

**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*

	<i>Position Held</i>
Burwood Resource Recovery Park Limited	Director
Elastomer Products Limited	Director
Independent Fisheries Limited	Director
Barlow Brothers NZ Limited	Director
Anderson Lloyd	Board Member
MOTUS Health Limited	Director
Hurunui Biodiversity Trust	Trustee
Waimakariri Irrigation Limited (commenced 31 July 2020)	Director
Committee for Canterbury	Trustee
Project Crimson	Trustee

*MR R B MCKENZIE (finished 31 December 2020)*

	<i>Position Held</i>
Burwood Resource Recovery Park Limited (finished 31 December 2020)	Director
Waste Management NZ Limited	Consultant
Waste Disposal Services	Executive Committee Member

*MR I G KENNEDY*

	<i>Position Held</i>
Burwood Resource Recovery Park Limited	Director
Waste Management NZ Limited	Employee

(5)

Transwaste Canterbury Limited  
Interim Report

**Directors' Report to the Shareholders (Continued)**  
For the six months ended 31 December 2020

*MR T H NICKELS*

	<i>Position Held</i>
Burwood Resource Recovery Park Limited	Director
Beijing Capital Group NZ Investment Holding Limited (finished 31 December 2020)	Director
Waste Management NZ Limited, plus various wholly owned subsidiaries (finished 31 December 2020)	Director
Waste Management NZ Limited (finished 31 December 2020)	Employee
Waste Disposal Services (finished 31 December 2020)	Executive Committee Member (alternate)
Midwest Disposals Limited (finished 31 December 2020)	Director
KT Advisory Limited (commenced 20 November 2020)	Director

*MR G S JAMES*

	<i>Position Held</i>
Burwood Resource Recovery Park Limited	Director
Canterbury Material Recovery Facilities Limited	Director
Waste Management NZ Limited	Employee

*MR R A PICKWORTH*

	<i>Position Held</i>
Burwood Resource Recovery Park Limited	Director
Westpower Limited, plus various wholly owned subsidiaries	Director
Westroads Limited	Director
Ashburton Contracting Limited	Director
Whitestone Contracting Limited	Director
Pipeline Group Limited, plus various wholly owned subsidiaries	Director
McLenaghan Contracting Limited (commenced 1 August 2020)	Director

*MRS M E CADMAN (Alternate Director)*

	<i>Position Held</i>
Waste Management NZ Limited	Employee

*MR H E G MAEHL (Alternate Director, commenced as Director 31  
December 2020)*

	<i>Position Held</i>
Burwood Resource Recovery Park Limited (commenced 31 December 2020)	Director
Beijing Capital Group NZ Investment Holding Limited (commenced 31 December 2020)	Director
Waste Management NZ Limited, plus various wholly owned subsidiaries	Director
Waste Management NZ Limited	Employee
Midwest Disposals Limited	Director

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Transwaste Canterbury Limited  
Interim Report

**Directors' Report to the Shareholders (Continued)**  
For the six months ended 31 December 2020

*MR P S MAUGER*

	<i>Position Held</i>
Burwood Resource Recovery Park Limited	Director
Christchurch City Council	Councillor
Coastal-Burwood Community Ward	Board Member
Canterbury Regional Landfill Joint Committee	Committee Member
Otautahi Community Housing Trust	Trustee
Civic Building Limited	Director
TMC Trailers Limited	Shareholder
M&M Aggregates Limited	Shareholder and Director
Harewood Holdings Limited	Shareholder and Director
25 KBR Limited	Shareholder and Director
Rookwood Holdings Limited	Director
Rowdy Limited	Shareholder
NZ Transport Engineering Limited	Shareholder
Maugers Contracting Limited	Shareholder and Director

*MR G S MILLER*

	<i>Position Held</i>
Burwood Resource Recovery Park Limited	Director
Selwyn District Council	Councillor
Canterbury Regional Landfill Joint Committee	Committee Member
Central Plains Water Limited	Director
Porahui Farms Limited	Shareholder

All transactions the group 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.

*Indemnification and Insurance of Officers and Directors*

The group 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 \$27,815 (2019: \$27,275).

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*Transwaste Canterbury Limited  
Interim Report*

## **Directors' Report to the Shareholders (Continued)**

For the six months ended 31 December 2020

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<b>Recommended Dividend</b>	<p>The general policy for the company is to declare dividends calculated at 100% of the parent company net profit after tax after allowing for working capital requirements, as set out in the company's Statement of Intent. Dividends of \$7,100,000 were paid during the six month period ended 31 December 2020.</p> <p>An interim dividend of \$5,000,000, declared after the reporting date (26 February 2021), is disclosed in Note 5.</p>
<b>Donations</b>	<p>The parent company made a donation of \$41,804 to the Kate Valley Landfill Community Trust (2019: \$43,176) during the period.</p>
<b>Auditor's Remuneration</b>	<p>The auditor of the Group is Audit New Zealand, acting on behalf of the Auditor-General.</p> <p>The annual remuneration for auditing services for the group provided by Audit New Zealand for the 2020 annual audit was \$65,144 (2019: \$67,215). No other services were provided by the auditor. These interim financial statements are not audited.</p>

(8)

**Statement of Objectives and Performance**  
For the six months ended 31 December 2020

Targets were set under the Statement of Intent for the three years ending 30 June 2023. A comparison of achievement against those targets is as follows:

**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 2021)	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 \$42,073,000	On track to achieve. Total revenue year to date is ahead of target.
	EBIT of \$13,748,000	On track to achieve.
	Dividends of \$10,300,000, plus a BRRP dividend of \$11,697,000	Dividends totalling \$12,100,000 forecast to be paid during the year for the Kate Valley operations. Further project dividends relating to BRRP activities are to be determined.
(b) To effectively manage the closure and related activities of the consented Burwood Resource Recovery Park (BRRP), following its closure in December 2019, through to handing the site back to Christchurch City Council.	Total BRRP Revenue of \$1,574,000	Not forecast to achieve.
	BRRP EBIT of \$133,000	EBIT loss of \$891,000 forecast due to delays in approvals for final disposal of material and higher closure costs than initially forecast.

(9)

## Statement of Objectives and Performance (Continued)

For the six months ended 31 December 2020

### Objective

**Healthy Environment:** To ensure that the Transwaste Canterbury Group, 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 natural resources.

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2021)	Progress Toward Achievement
(a) No proven breaches of Resource Management Act consents.	Nil established consent breaches.	On track – nil to date.
(b) Review and update the strategic plan for Tiromoana Bush.	Strategic plan reviewed, updated with Board signoff and actioned.	The current year plan is on track to be completed in accordance with the adopted 5 year plan to 2022.

### Objective

**Sustainable Environment:** Support New Zealand’s “Predator Free by 2050” goal, maintain and/or reduce net Green House Emissions and to use the gas captured in a socially and economically sustainable way.

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2021)	Progress Toward Achievement
(a) Maintain large mammal pests (pigs and deer) to low levels in Tiromoana Bush.	No adverse impacts on restoration plantings from deer and pig rooting - evident in <5% of vegetation monitoring plots.	On track to achieve – deer and pig activity has reduced. Pig cull planned for autumn 2021.
(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
(c) Maximise capture and destruction of landfill gas from Kate Valley landfill.	Ensure the capture and destruction of in excess of 90% of landfill gas produced by Kate Valley landfill (measured in accordance with the regulations to the Climate Change Response Act 2002).	On track to achieve. 95.1% average achieved in 2020.

(10)

**Statement of Objectives and Performance (Continued)**  
For the six months ended 31 December 2020

**Objective**  
*Sustainable Environment (Continued)*

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2021)	Progress Toward Achievement
(d) Identify and agree GHG emissions that are required to be reported on, and develop appropriate measures.	Measures developed for agreed GHG emissions along with data gathering and reporting requirements.	In progress.
(e) Mitigation processes developed and in use to reduce GHG emissions.	Mitigation processes and initiatives developed and implemented.	In progress.
(f) Determine target KPIs for reduction of GHG emissions.	Target KPIs established, with reporting of actual performance against target KPI's for subsequent years commencing 1 July 2021.	In progress.
(g) 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 2021 to 2023.	In progress. Dependent on transmission line upgrades.

**Objective**  
*Legislative Compliance: To be a good Corporate Citizen by acting lawfully*

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2021)	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. No non-compliances noted.
	Nil known legislative and regulatory non-compliance.	On track. No notices of non-compliance received to date.

(11)

Transwaste Canterbury Limited  
Interim Report

**Statement of Objectives and Performance (Continued)**  
For the six months ended 31 December 2020

**Objective**

*Corporate Citizenship: 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 2021)	Progress Toward Achievement
(a) Finance the Kate Valley landfill trust fund (from the Disposal Charge) for the purpose of benefiting the local community immediately affected by the landfill operation.	Annual payment to Kate Valley Landfill Community Trust, to be determined on an annual basis.	An interim payment of \$41,804, based on the prior year, was made during the period. The final contribution for the year ended 31 December 2020 will be made by 28 February 2021.
(b) Develop and maintain education material with regard to waste management and the environment.	Modules used in the National curriculum by schools.	On track. Further development of programme underway with Core Education.
(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.

(12)

**Statement of Objectives and Performance (Continued)**

For the six months ended 31 December 2020

**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 2021)	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.	Fully achieved to date - no disruption to receipt of waste being closed due to high wind on 7 days for 32 hours in total (to 31 December 2020).
(c) Successful closure of the BRRP facility in accordance with agreements reached with Christchurch City Council (CCC).	Successful closure of the BRRP facility and hand back the site to CCC in accordance with agreements reached with CCC.	Closure will be by 31 December 2021, due to delays in approvals for final disposal of material. On track for hand back before expiry of resource consents on 31 December 2021.

(13)

**Statement of Objectives and Performance (Continued)**

For the six months ended 31 December 2020

**Objective**

**Good Employer: Be a Good Employer, through either direct employment or by way of management contracts with the Waste Management NZ Ltd divisions, Canterbury Waste Services (CWS – Kate Valley Operations) and Canterbury Materials Recovery Facilities (CMRF – BRRP operations).**

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2021)	Progress Toward Achievement
(a) Ensure CWS/CMRF have 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 combined CWS and CMRF landfill and transport staff annual FTE turnover (excluding disestablished positions arising from the closure of BRRP).	On track. Turnover of permanent employees at Kate Valley was 1 at landfill and 1 in transport out of 45 FTEs; turnover of permanent employees of CMRF staff (excluding planned disestablishment relating to closure) was 1 out of 5 FTEs.
(b) Ensuring that its employees have secure and rewarding employment which provides the means for personal development.	10 hours per FTE annually for CWS and CMRF staff training.	On track. Kate Valley staff undertaken 10.4 hours per FTE year to date (6 months). CMRF staff undertaken 0 hours per FTE year to date.

**Objective**

**Consultation and Community Relations: Establish and maintain good relations with the local host community of the Kate Valley landfill and Burwood areas 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 2021)	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. Four Community Liaison Group meetings held in the year to 31 December 2020.
	At least two BRRP Community Liaison group meetings held per year.	On track. Community Liaison Group meetings held when required.
(b) Liaise with other interest groups including Tangata Whenua on an as-required basis and discuss all issues likely to affect them.	Three interactions with interest groups per year.	Liaison with interest groups is on track.

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Transwaste Canterbury Limited  
Interim Report

### Statement of Objectives and Performance (Continued)

For the six months ended 31 December 2020

**Objective**

**Health and Safety:** *Strive for zero injury accidents in all operations the Company and its main contractors, CWS and CMRF, will be responsible for, whilst maintaining a high level of service and production.*

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2021)	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 2020 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 incident where a CWS trailer caused minor damage to a third-party vehicle.

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Transwaste Canterbury Limited  
Interim Report

**Consolidated Interim Statement of Comprehensive Income**  
For the six months ended 31 December 2020

	Note	December 2020 \$'000	December 2019 \$'000	June 2020 \$'000
		Interim (Unaudited)	Interim (Unaudited)	Annual (Audited)
<b>Revenue</b>				
Sales excluding waste levy	2	25,338	24,414	47,398
Waste levy		1,740	1,665	3,322
Sales including waste levy		27,078	26,079	50,720
Rental		33	30	60
Other revenue		-	-	4
Interest		37	147	214
Changes in fair value of forestry		-	-	(373)
Gain on sale of property, plant and equipment	3	-	-	3
<b>Total Revenue</b>		<b>27,148</b>	<b>26,256</b>	<b>50,628</b>
<b>Expenses</b>				
Audit fees				
- Annual audit		31	35	65
Depreciation and amortisation		3,189	3,409	6,413
Impairment of receivables		-	-	(17)
Employee benefits costs		173	173	346
Landfill and facilities operating expenses		12,528	10,057	19,415
Loss on sale of property, plant and equipment		13	-	36
Waste levy		1,740	1,665	3,322
Other expenses		1,236	1,158	2,379
<b>Total Expenses</b>		<b>18,910</b>	<b>16,497</b>	<b>31,959</b>
<b>Profit before finance costs and tax</b>		<b>8,238</b>	<b>9,759</b>	<b>18,669</b>
Finance costs		34	278	555
<b>Profit before tax</b>		<b>8,204</b>	<b>9,481</b>	<b>18,114</b>
Income tax expense		2,342	2,658	5,072
<b>Profit for the period</b>		<b>5,862</b>	<b>6,823</b>	<b>13,042</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Cash flow hedges, net of tax		(107)	-	(144)
<b>Total other comprehensive income for the period</b>		<b>(107)</b>	<b>-</b>	<b>(144)</b>
<b>Total comprehensive income for the period</b>		<b>5,755</b>	<b>6,823</b>	<b>12,898</b>

The notes on pages 21-27 form an integral part of this condensed consolidated interim financial information.

(16)

Transwaste Canterbury Limited  
Interim Report

**Consolidated Interim Statement of Changes  
in Shareholders' Equity**  
For the six months ended 31 December 2020

	Note	Contributed equity \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance 1 July 2019</b>		16,000	625	32,913	49,538
Profit for the period		-	-	6,823	6,823
<i>Other comprehensive income:</i>					
Cash flow hedges, net of tax		-	-	-	-
<b>Total comprehensive income for the period ended 31 December 2019 (unaudited)</b>		-	-	6,823	6,823
Dividend	5	-	-	(11,700)	(11,700)
<b>Balance 31 December 2019</b>		<b>16,000</b>	<b>625</b>	<b>28,036</b>	<b>44,661</b>
<b>Balance 1 July 2020</b>		16,000	481	29,055	45,536
Profit for the period		-	-	5,862	5,862
<i>Other comprehensive income:</i>					
Cash flow hedges, net of tax		-	(107)	-	(107)
<b>Total comprehensive income for the period ended 31 December 2020 (unaudited)</b>		-	(107)	5,862	5,755
Dividend	5	-	-	(7,100)	(7,100)
<b>Balance 31 December 2020</b>		<b>16,000</b>	<b>374</b>	<b>27,817</b>	<b>44,191</b>
<b>Balance 1 July 2019</b>		16,000	625	32,913	49,538
Profit for the year		-	-	13,042	13,042
<i>Other comprehensive income:</i>					
Cash flow hedges, net of tax		-	(144)	-	(144)
<b>Total comprehensive income for the year ended 30 June 2020 (audited)</b>		-	(144)	13,042	12,898
Dividends	5	-	-	(16,900)	(16,900)
<b>Balance 30 June 2020</b>		<b>16,000</b>	<b>481</b>	<b>29,055</b>	<b>45,536</b>

The notes on pages 21-27 form an integral part of this condensed consolidated interim financial information.  
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Transwaste Canterbury Limited  
Interim Report

**Consolidated Interim Balance Sheet**  
As at 31 December 2020

	Note	December 2020 \$'000 Interim (Unaudited)	December 2019 \$'000 Interim (Unaudited)	June 2020 \$'000 Annual (Audited)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	56,865	59,898	62,827
Forestry		2,004	2,377	2,004
Emission units		1,609	1,041	1,609
<b>Total non-current assets</b>		<b>60,478</b>	<b>63,316</b>	<b>66,440</b>
<b>Current assets</b>				
Cash and cash equivalents		7,759	3,601	9,142
Trade and other receivables		7,091	5,669	5,052
Term deposits		4,050	8,000	4,029
<b>Total current assets</b>		<b>18,900</b>	<b>17,270</b>	<b>18,223</b>
<b>Total assets</b>		<b>79,378</b>	<b>80,586</b>	<b>84,663</b>
<b>Equity</b>				
Contributed equity		16,000	16,000	16,000
Reserves		374	625	481
Retained earnings		27,817	28,036	29,055
<b>Total equity</b>		<b>44,191</b>	<b>44,661</b>	<b>45,536</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provisions	4	26,186	26,307	30,280
Derivative financial instruments		-	-	6
Deferred income tax liability		2,277	3,385	2,317
<b>Total non-current liabilities</b>		<b>28,463</b>	<b>29,692</b>	<b>32,603</b>
<b>Current liabilities</b>				
Trade and other payables		5,244	4,763	3,715
Derivative financial instruments		350	-	195
Income tax payable		208	439	1,979
Provisions	4	900	1,006	613
Employee benefits		22	25	22
<b>Total current liabilities</b>		<b>6,724</b>	<b>6,233</b>	<b>6,524</b>
<b>Total liabilities</b>		<b>35,187</b>	<b>35,925</b>	<b>39,127</b>
<b>Total equity and liabilities</b>		<b>79,378</b>	<b>80,586</b>	<b>84,663</b>

The notes on pages 21-27 form an integral part of this condensed consolidated interim financial information.  
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Transwaste Canterbury Limited  
Interim Report

**Consolidated Interim Cash Flow Statement**  
For the six months ended 31 December 2020

	December 2020 \$'000 Interim (Unaudited)	December 2019 \$'000 Interim (Unaudited)	June 2020 \$'000 Annual (Audited)
<b>Cash flows from operating activities</b>			
Receipts from customers	25,032	24,906	50,173
Interest received	37	147	214
Other revenue	33	28	58
Payments to suppliers and employees	(13,981)	(12,641)	(25,393)
Interest paid	-	-	-
Income tax paid	(4,113)	(3,960)	(5,845)
Goods and services tax (net)	255	446	190
Net cash from operating activities	<u>7,263</u>	<u>8,926</u>	<u>19,397</u>
<b>Cash flows from investing activities</b>			
Sale of property, plant & equipment	18	-	13
Purchase of property, plant & equipment	(1,543)	(2,218)	(4,585)
Purchase of emission units	-	-	(1,347)
Monies withdrawn from/(deposited to) term deposits	(21)	4,000	7,971
Net cash from investing activities	<u>(1,546)</u>	<u>1,782</u>	<u>2,052</u>
<b>Cash flows from financing activities</b>			
Dividends paid	(7,100)	(11,700)	(16,900)
Net cash from financing activities	<u>(7,100)</u>	<u>(11,700)</u>	<u>(16,900)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,383)</b>	<b>(992)</b>	<b>4,549</b>
Cash and cash equivalents at the beginning of the period	<u>9,142</u>	<u>4,593</u>	<u>4,593</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>7,759</u></b>	<b><u>3,601</u></b>	<b><u>9,142</u></b>

The notes on pages 21-27 form an integral part of this condensed consolidated interim financial information.  
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Transwaste Canterbury Limited  
Interim Report

**Consolidated Interim Cash Flow Statement**  
For the six months ended 31 December 2020

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

	December 2020 \$'000 Interim (Unaudited)	December 2019 \$'000 Interim (Unaudited)	June 2020 \$'000 Annual (Audited)
<b>Profit for the period</b>	<b>5,755</b>	<b>6,823</b>	<b>12,898</b>
<b>Add/(less) non-cash items:</b>			
Depreciation, amortisation and impairment	3,189	3,409	6,413
Reassessment of landfill costs	900	-	-
Loss/(Gain) on changes in fair value of forestry	-	-	373
Electricity hedge swap	107	-	144
Time value adjustment	34	278	555
ETS surrendered	-	-	779
Loss/(Gain) on sales of property, plant and equipment	13	-	33
Deferred tax		(6)	(1,017)
	<u>4,243</u>	<u>3,681</u>	<u>7,280</u>
<b>Add/(less) movements in working capital items:</b>			
Receivables	(2,046)	(1,190)	(559)
Income tax payable	(1,771)	(1,297)	243
Trade payables – working capital	1,538	1,074	10
	<u>(2,279)</u>	<u>(1,413)</u>	<u>(306)</u>
<b>Add/(less) items classified as investing activities</b>			
Trade payables - property, plant & equipment	-	240	493
Closure and post-closure provisions utilised	(456)	(405)	(968)
	<u>(456)</u>	<u>(165)</u>	<u>(475)</u>
<b>Net cash inflow from operating activities</b>	<b><u>7,263</u></b>	<b><u>8,926</u></b>	<b><u>19,397</u></b>

The notes on pages 21-27 form an integral part of this condensed consolidated interim financial information.  
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Transwaste Canterbury Limited  
Interim Report

**Notes to the Consolidated Interim Financial Statements (unaudited)**  
For the six months ended 31 December 2020

**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 group consists of Transwaste Canterbury Limited, its wholly owned operating subsidiary, Burwood Resource Recovery Park Limited and six non-trading subsidiaries. All companies are incorporated and domiciled in New Zealand. The primary objective of the parent company is to own, operate and continue development of a non-hazardous landfill for the Canterbury region. Burwood Resource Recovery Park Limited operates a Christchurch Earthquake demolition waste material management and recovery facility and a landfill for disposal of residual demolition waste.

This condensed consolidated interim financial information was approved for issue by the Board on 26 February 2021.

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

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

*Summary of Significant Accounting Policies*

This condensed consolidated interim financial report for the six months ended 31 December 2020 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 2020, 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 group*

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 Consolidated Interim Financial Statements (unaudited)**  
For the six months ended 31 December 2020

2. Revenue

	December 2020 \$'000	December 2019 \$'000	June 2020 \$'000
	Interim	Interim	Annual
Waste disposal (excluding waste levy)	20,548	20,037	38,567
Waste levy on-charged to customers	1,740	1,665	3,322
Waste disposal sales including waste levy	22,288	21,702	41,889
Waste transport	3,847	3,308	6,788
Recovered materials	4	22	26
Electricity generation	939	1,047	1,993
Forestry	-	-	24
<b>Sales</b>	<b>27,078</b>	<b>26,079</b>	<b>50,720</b>

**Waste levy cost**

Effective from 1 July 2009, a waste levy (currently levied at \$10 per tonne of waste to landfill) is payable by the company to the Ministry for the Environment. The levy, totalling \$1,740,000 for the period (31 December 2019: \$1,665,000), is on-charged to customers and the on-charge is included in sales revenue. The waste levy cost is included in expenses.

**Parent company – Transwaste Canterbury Limited**

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.

**Subsidiary company**

Prior to its closure, Burwood Resource Recovery Park Limited contracted with its customers to lawfully dispose of earthquake demolition waste delivered to the Burwood Resource Recovery Park in Christchurch. Materials recovered from the demolition waste were sold to third parties.

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

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

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**Notes to the Consolidated Interim Financial Statements (unaudited)**  
For the six months ended 31 December 2020

**3. Property, plant and equipment**

During the six months ended 31 December 2020, the group acquired assets with a total cost of \$1,543,000 (31 December 2019: \$1,977,000).

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 \$4,285,000 reduction (2019: \$2,300,000) to the closure and post closure asset.

Asset disposals of \$18,000 occurred during the six month period to 31 December 2020 (31 December 2019: \$nil).

**4. Provisions**

Provisions are represented by:

Closure and post-closure provisions

	December 2020 \$'000	December 2019 \$'000	June 2020 \$'000
	Interim	Interim	Annual
Opening balance	30,893	29,740	29,740
Assessment of current value of landfill costs	(3,385)	(2,300)	1,565
Effect of time value adjustment	34	278	555
Amounts used during the period	(456)	(405)	(967)
Closing balance	<u>27,086</u>	<u>27,313</u>	<u>30,893</u>
Comprising:			
Current	900	1,006	613
Non-current	<u>26,186</u>	<u>26,307</u>	<u>30,280</u>
Total closure and post-closure provisions	<u>27,086</u>	<u>27,313</u>	<u>30,893</u>

Provision is made for the future costs of closing the company's landfills at the end of their economic lives and for the associated post-closure costs, being the aftercare of the landfill for the prescribed periods. 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 landfills is performed on a regular basis.

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**Notes to the Consolidated Interim Financial Statements (unaudited)**  
For the six months ended 31 December 2020

The impact of changes to the provision arising from the reassessment of the life of the landfills and estimated future costs are capitalised to deferred closure and post-closure costs within property, plant and equipment in the balance sheet. 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 provisions have been estimated taking into account existing technology and using discount rates applicable to the timing of estimated cash outflows, which range from 0.24% to 4.30% (31 December 2019: 2.12%; 30 June 2020: 0.22% to 3.91%). Changes in the current assessment of landfill costs relate predominantly to changes in the discount rates applied.

**Kate Valley Landfill**

The remaining economic life of the Kate Valley landfill is estimated to be 25 years.

The cash outflows for landfill post-closure are expected to occur in twenty five to fifty five 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.

**Burwood Resource Recovery Park Landfill**

The company stopped accepting waste for disposal on 20 December 2019. Cash outflows for progressive closure, capping and landscaping continued during the period and are scheduled to be completed during the 2022 year, at which point the site will be handed back to Christchurch City Council.

**5. Dividends**

	December 2020 \$'000	December 2019 \$'000	June 2020 \$'000
	Interim	Interim	Annual
<b>Dividends paid during the period</b>			
Interim dividends <sup>1</sup>	-	-	5,200
Final dividends <sup>2</sup>	7,100	11,700	11,700
	<u>7,100</u>	<u>11,700</u>	<u>16,900</u>

<sup>1</sup> No Interim dividends were paid during the 31 December periods (\$5,200,000 fully imputed on 28 February 2020).

<sup>2</sup> Final dividend (fully imputed) for 2020 of \$7,100,000 declared and paid on 28 August 2020 (2019: \$6,700,000 fully imputed on 30 August 2019, with a further fully imputed special dividend of \$5,000,000, being a project dividend arising from the Burwood Resource Recovery Park project, declared and paid on 20 December 2019) (Annual June 2020 period: \$5,000,000 fully imputed on 20 December 2019).

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Transwaste Canterbury Limited  
Interim Report

**Notes to the Consolidated Interim Financial Statements (unaudited)**  
For the six months ended 31 December 2020

A fully imputed interim dividend of \$5,000,000 was declared and paid on 26 February 2021.

**6. Capital commitments and operating leases**

	December 2020 \$'000	December 2019 \$'000	June 2020 \$'000
	Interim	Interim	Annual
Capital commitments contracted for at balance date but not yet incurred for property, plant and equipment	4,922	3,207	1,170

There are no capital commitments in relation to forestry.

**Operating leases as lessor**

The group 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 2018.

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

	December 2019 \$'000	December 2019 \$'000	June 2020 \$'000
	Interim	Interim	Annual
Not later than one year	55	55	55
Later than one year and not later than five years	82	137	110
Later than five years	-	-	-
Total non-cancellable operating leases	<u>137</u>	<u>192</u>	<u>165</u>

No contingent rents have been recognised during the period.

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**Notes to the Consolidated Interim Financial Statements (unaudited)**  
For the six months ended 31 December 2020

**7. 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 arms-length 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.

The following transactions were carried out with related parties:

	December 2020 \$'000	December 2019 \$'000	June 2020 \$'000
	Interim	Interim	Annual
<b>(a) Sales of services</b>			
Entities with joint control or significant influence over the entity (landfilling and transport)	8,817	7,504	15,558
Other related parties (landfilling and transport)	9,179	8,138	16,605
Entities with joint control or significant influence over the entity (rental)	3	3	5
	<u>17,999</u>	<u>15,645</u>	<u>32,168</u>
<b>(b) Purchases of services</b>			
Entities with joint control or significant influence over the entity (waste disposal, transport and construction)	11,555	12,671	25,389
Entities with joint control or significant influence over the entity (rates)	7	4	15
	<u>11,562</u>	<u>12,675</u>	<u>25,404</u>
<b>(c) Year end balances arising from sales/purchases of services</b>			
<i>Receivables from related parties</i>			
Entities with joint control or significant influence over the entity	1,755	1,476	1,792
Other related parties	1,774	1,640	1,842
<i>Payables to related parties</i>			
Entities with joint control or significant influence over the entity	2,450	2,355	1,964
<b>Key management personnel</b>			
Directors' fees and other short term employee benefits	173	173	346

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Transwaste Canterbury Limited  
Interim Report

**Notes to the Consolidated Interim Financial Statements (unaudited)**  
For the six months ended 31 December 2020

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 (2019: nil).

**8. Contingent assets and liabilities**

**Contingent assets**

Under the New Zealand Emissions Trading Scheme (ETS) the group is eligible for carbon credits on sequestration of carbon in the group's post-1989 forests. Credits have been received for periods up to 31 December 2017.

The group 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 group has no liability for deforestation as at 31 December 2020 (2019: nil).

**Contingent liabilities**

	December 2020 \$'000 Interim	December 2019 \$'000 Interim	June 2020 \$'000 Annual
Bonds	15,912	15,912	15,912

Bonds of \$15,912,500 (2019: \$15,912,500) have been arranged with the parent company's bankers in terms of resource consents granted to the company. It is anticipated no material liabilities will arise.

The subsidiary, Burwood Resource Recovery Park Limited, is required under its operational agreement with Christchurch City Council to remediate the sites it operates in the Burwood Resource Recovery Park on expiry of the consenting period, to the extent agreed with Christchurch City Council. A full provision is included for all known or anticipated costs of closure and handing back all sites to Council. No other costs are expected for this work beyond the provision allowed for.

**9. 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.

(27)



Jimmy Chen  
Chair, Canterbury Regional Landfill Joint Committee  
Christchurch City Council  
PO Box 73015  
CHRISTCHURCH 8154

26 February 2021

Dear Jimmy

**Transwaste Canterbury Limited - Interim Report to 31 December 2020**

At the Board meeting for Transwaste Canterbury Limited held on Friday 26 February 2021 the Interim Report for the six months ended 31 December 2020 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.

You will note that the net group result is around \$1.3 million lower than the equivalent period to 31 December 2019. The major variance to the result relates to additional costs in finalisation and closure of the Burwood Resource Recovery Park, following closing the gate for receipt of earthquake waste in December 2019.

The progress toward achievement of the financial and other objectives is outlined on pages 9 to 15 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 12 April 2021.

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

Yours sincerely  
Transwaste Canterbury Limited

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

Gill Cox  
Chairman

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## 5. Resolution to Exclude the Public

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*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 RELEASED
6.	PUBLIC EXCLUDED CANTERBURY REGIONAL LANDFILL JOINT COMMITTEE MINUTES - 10 AUGUST 2020			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
7.	VERBAL UPDATE FROM TRANSWASTE	S7(2)(H)	COMMERCIAL ACTIVITIES	THE VERBAL UPDATE PROVIDES AN OPPORTUNITY FOR DISCUSSION OF ISSUES BY THE 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 THAT IS RELEASED
8.	TRANSWASTE CANTERBURY LTD - DRAFT STATEMENT OF INTENT 2021/22	S7(2)(F)(II), S7(2)(H)	PROTECTION FROM IMPROPER PRESSURE OR HARASSMENT, COMMERCIAL ACTIVITIES	THE DRAFT SOI PROVIDES AN OPPORTUNITY FOR CONSIDERATION OF ISSUES BY SHAREHOLDERS AND ENGAGEMENT WITH THE BOARD WITHOUT UNDUE PRESSURE FROM INTEREST PARTIES.	WHEN THE FINAL SOI IS PUBLICLY RELEASED, BY THE END OF JULY 2021.
9.	TRANSWASTE DIRECTORSHIP	S7(2)(B)(II), S7(2)(H), S7(2)(I)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES, CONDUCT NEGOTIATIONS	THE COMMITTEE WILL BE PROVIDED AN OPPORTUNITY FOR DISCUSSION ON PERSONS AND THE BOARD, WHICH IF MADE IN OPEN COULD PREJUDICE THE PERSONS/BOARD AND THE COMMERCIAL ACTIVITIES OF THE COMPANY.	28 MAY 2021