

Canterbury Regional Landfill Joint Committee

AGENDA

Notice of Meeting:

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

Date: Monday 4 April 2022
Time: 10am
Venue: Held by audio/visual link

Under the current provisions of the Covid-19 Protection Framework (the Traffic Alert system) public attendance at the meeting is only available by an audio-visual link. Please request access details from andrew.campbell@ccc.govt.nz.

Membership

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

30 March 2022

Principal Advisor

Jane Davis
General Manager Infrastructure,
Planning & Regulatory Services
Tel: 941 8884

Andrew Campbell
Committee & Hearings 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.

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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, 2 August 2021](#) be confirmed (refer page 5).

Canterbury Regional Landfill Joint Committee OPEN MINUTES

Date: Monday 2 August 2021
Time: 10.03am
Venue: Committee Room 2, Level 2, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson Councillor Jimmy Chen - Christchurch City Council
Deputy Chairperson Councillor Robbie Brine - Waimakariri District Council
Members 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

Petrea Downey
Committee Advisor
941 8529
petrea.downey@ccc.govt.nz
www.ccc.govt.nz

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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/2021/00006

That the apology for lateness received from Councillor Brine be accepted.

Councillor Chen/Councillor Mauger

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/2021/00007

That the minutes of the Canterbury Regional Landfill Joint Committee meeting held on Monday, 12 April 2021 be confirmed.

Councillor Miller/Councillor McMillan

Carried

5. 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 2021.
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/2021/00008

Part C

That the Canterbury Regional Landfill Joint Committee:

1. Appoint Councillor Chen, Chair of the Committee, to attend and vote at the Transwaste Canterbury Ltd Annual General Meeting in November 2021.
2. Appoint Councillor MacDonald as an alternate, if the person appointed in recommendation 1. is unable to attend.

Councillor MacDonald/Councillor McMillan

Carried

6. Resolution to Exclude the Public

Joint Committee Resolved CRLC/2021/00009

Part C

That Gill Cox, Chairman of Transwaste Canterbury Ltd and Garry Forward, Transwaste Canterbury Ltd and Jeremy Parker of Waste Management New Zealand, 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 under Section 7(2)(h) - Commercial Activities, Item 4. Landfill Transport Costs be discussed in public excluded as the costs associated with transport are subject to confidentiality.

AND

That at 10.07am the resolution to exclude the public set out on pages 16 to 17 of the agenda be adopted.

Councillor MacDonald/Councillor Ward

Carried

The public were re-admitted to the meeting at 11.10am.

The meeting adjourned at 11.10am and reconvened at 11.28am.

Councillor Mauger left the meeting at 11.32am and returned at 11.33am during discussion on Item 4.

4. Landfill Transport Costs

Committee Comment

1. Part of this item was discussed in public excluded under Section 7(2)(h) - Commercial Activities to discuss the costs associated with transport which are subject to confidentiality. The Committee then considered and made the decision in the open section of the meeting.

Officer Recommendations Ngā Tūtohu

That the Canterbury Regional Landfill Joint Committee:

1. Consider the preferred option for calculating the transport cost arrangement.
2. Request Transwaste Canterbury Limited implement the payments as agreed by the Committee, by adjusting its dividend payments to the participating territorial authority shareholders.

Joint Committee Resolved CRLC/2021/00010

Part C

That the Canterbury Regional Landfill Joint Committee:

1. Approves Option 1 as outlined in the report for calculating the transport cost arrangements for this financial year 2020/21.

2. Requests Transwaste Canterbury Limited implement the payments as agreed by the Committee in resolution 1. above, by adjusting its dividend payments to the participating territorial authority shareholders.
3. Directs staff to report back to the Committee with the recommended calculation formula for the next financial year 2021/22 and going forward.

Councillor Miller/Councillor Mauger

Carried

Karakia Whakamutunga: Given by Councillor Chen.

Meeting concluded at 11.35am.

CONFIRMED THIS 4th DAY OF APRIL 2022

**COUNCILLOR JIMMY CHEN
CHAIRPERSON**

Unconfirmed

4. Transwaste Canterbury Ltd - Interim Report for the six months to 31 December 2021

Reference Te Tohutoro: 22/211529
Report of Te Pou Matua: Linda Gibb, Performance Advisor, Resources Group (linda.gibb@ccc.govt.nz).
General Manager Pouwhakarae: Leah Scales, Acting General Manager, Resources Group (leah.scales@ccc.govt.nz).

1. Brief Summary

- 1.1 The purpose of this report is to present Transwaste Canterbury Ltd's Interim Report for the period 1 July – 31 December 2021. The report has been written following receipt of Transwaste's interim report on 28 February 2022, as required by section 66(2) of the Local Government Act 2002 (**LGA**).
- 1.2 The Interim Report is at **Attachment A** and the Board Chair's letter explaining the variances in performance against the prior year is at **Attachment B**. The content of the Interim Report 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**)).

2. Officer Recommendations Ngā Tūtohu

That the Canterbury Regional Landfill Joint Committee:

1. Receives Transwaste Canterbury Ltd's Interim Report for the six months ended 31 December 2021.

3. Details

- 3.1 The Interim Report advises the following financial outcomes (note that Transwaste does not provide half year forecasts):





	Actual to 31 December 2021 \$m	Full year target to 30 June 2022 \$m	Prior half year to 31 December 2020 \$m
Total Revenue	28.7	54.5	27.1
EBIT	Not reported	18.7	Not reported
Net profit before tax	9.8	Not forecast	8.2
Total assets	75.7	Not forecast	81.6

- 3.2 **Against target**, assuming a 50/50 split of the target in each half of the year¹, revenue is ahead by approximately \$1.5 million (+5%).
- 3.3 **Against last year**, total revenue is higher by \$1.6 million, due to the annual increase in the waste levy. The levy is collected by Transwaste and on-paid to the Government. The increase in net profit before tax is coincidentally the same amount as the waste levy difference due to the one-off Burwood Resource Recovery Plant closure costs in 2020/21.

¹ PWC, Transwaste's advisors advised in March 2021 that there is little seasonality built into Transwaste's budgets and therefore a 50/50 split into each half of the year is reasonable.

- 3.4 Total assets have reduced by \$5.9 million, reflecting a reduction in cash held following distributions to shareholders.
- 3.5 Transwaste advises it is on target to achieve its full year targets. It has paid out its full dividend for the year, which was higher than the SOI target (actual \$15.1 million; target \$13.7 million). The Council's share of the full year dividend (38.9%) was \$5.9 million.
- 3.6 All non-financial performance targets are on track to be met at year end except one – a target of “no traffic incidents where Canterbury Waste Services drivers are at fault” has been missed due to one incident where a trailer caused minor damage to a third party vehicle. Canterbury Waste Services is Transwaste's landfill contractor.

Attachments Ngā Tāpirihanga

No.	Title	Page
A  	Transwaste Canterbury Ltd - Interim report for the period 1 July-31 December 2021	11
B  	Transwaste Canterbury Ltd - Letter from the Chair of the Board re Interim Performance	36

Additional background information may be noted in the below table:

Document Name	Location / File Link
Not applicable	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	Bruce Moher - Acting Head of Finance Leah Scales - Acting General Manager Resources/Chief Financial Officer

Transwaste Canterbury Limited

Consolidated Interim Report

For the six months ended 31 December 2021



The Board of Directors is pleased to present the Interim Report of Transwaste Canterbury Limited for the six months ended 31 December 2021.

5. Landfill Transport Costs

Reference Te Tohutoro: 22/269213

Report of Te Pou Matua: Zed Potgieter, Senior Resource Planner

General Manager

Pouwhakarae:

Jane Davis, General Manager Infrastructure, Planning & Regulatory

1. Purpose of Report Te Pūtake Pūrongo

- 1.1 To approve the preferred cost sharing calculation for the annual transport cost arrangement for waste transported to Kate Valley landfill.

2. Officer Recommendations Ngā Tūtohu

That the Canterbury Regional Landfill Joint Committee:

1. Approve Option 2 for calculating the transport cost equalisation.
2. Advise Transwaste Canterbury Limited of the approval of Option 2 for adjusting its future dividend payments to the participating territorial authority shareholders.

Background

- 2.1 On 6 September 2004, a shared transport cost arrangement (equalisation) was approved whereby the Christchurch City Council and Waimakariri District Council annually contribute proportionally towards the transport costs for waste sent to Kate Valley Landfill by Ashburton and Selwyn District Councils. The arrangement ensures that communities further away from the landfill are not disadvantaged through higher transport costs. By agreement, the Hurunui District Council, as host council to the landfill, is not part of the cost share arrangement.
- 2.2 When the Committee met on 2 August 2021 to authorise the 2020/21 transport cost arrangements, according to Option 1 (see 3.6 below for options), the Committee resolved as follows:

“Directs staff to report back to the Committee with the recommended calculation formula for the next financial year 2021/22 and going forward”.
- 2.3 There are three options available for calculating the transportation cost share, noting that while the current approach (Option 1 below) has been in place since Kate Valley became operational, the change in waste sources (shift from Council to commercial) is the key driver for the proposal to update charging formulas. Cost share options as follows:
 - Option 1 - All waste to Kate Valley;
 - Option 2 - Waste from Council transfer stations only; and,
 - Option 3 - Waste from Council transfer stations but excluding special wastes.
- 2.4 A shift to greater commercial tonnages over recent years has seen an increase in waste from commercial transfer stations, transported directly to Kate Valley with approximately half of all waste received at Kate Valley now arising from commercial sources (i.e. 170,000 tonnes in FY20) with the source of the commercial waste not known. Such commercial waste has no financial impact on any member Council, and only waste that goes via Member Council-owned

transfer stations should in future be considered for the transport cost scheme, as per recommended Option 2.

2.5 The calculations are based on the following rules:

- *The number of return trips that would have been required by each district if all loads had been full loads;*
- *The annual transport costs for all Councils combined, based on full load trips;*
- *The average cost per tonne for all Councils combined, based on full load trips;*
- *The amounts that Ashburton and Selwyn would have paid if they had been charged at average, per tonne, all Councils combined, rates (based on full load trips);*
- *For Ashburton and Selwyn, the differences between individual annual transport costs (full loads) and average annual transport costs (full loads) - this amount will be the transport cost amount to be shared between Christchurch and Waimakariri Councils; and,*
- *Contributions required from Christchurch and Waimakariri are proportioned on the basis of annual tonnages from these councils.*

2.6 The change from Option 1 to Option 2 better reflects the current market for waste operations (large commercial volumes), and provides a more equitable arrangement for ratepayers going forward.

2.7 These three options and associated cost shares, based on costs for 2020/21, are set out below for consideration by the Committee, in each of the tables the last two columns indicate the contribution of Christchurch and Waimakariri Councils.

2.7.1 **Option 1:** All waste to Kate Valley (346,519.86 tonnes)

	Total waste by District Council (tonnes)	Average cost per tonne	Cost based on average cost/tonne	Actual cost paid by district council	Difference between actual and average cost (Equalisation)	CCC Share of Equalisation (93.65% based on tonnes)	WDC Share of Equalisation (6.35% based on tonnes)
Ashburton	13,333.60	\$31.36	\$418,141.70	\$608,030.34	\$189,888.64	\$177,827.92	\$12,060.72
Selwyn	20,920.73	\$31.36	\$656,074.09	\$724,161.06	\$68,086.97	\$63,762.45	\$4,324.52
					\$257,975.61	\$241,590.37	\$16,385.24

2.7.2 **Option 2:** Waste from Council Transfer Stations only (**172,684.34 tonnes**)


	Total waste by District Council (tonnes)	Average cost per tonne	Cost based on average cost/tonne	Actual cost paid by district council	Difference between actual and average cost (Equalisation)	CCC Share of Equalisation (85.67% based on tonnes)	WDC Share of Equalisation (14.33% based on tonnes)
Ashburton	13,333.60	\$31.93	\$425,741.85	\$608,030.34	\$182,288.49	\$156,171.25	\$26,117.24
Selwyn	20,920.73	\$31.93	\$667,998.91	\$724,161.06	\$56,162.15	\$48,115.56	\$8,046.59
					\$238,450.64	\$204,286.82	\$34,163.83

2.7.3 **Option 3:** Waste from Council Transfer Stations only and excluding special waste (**172,399.42 tonnes**)

	Total waste by District Council (tonnes)	Average cost per tonne	Cost based on average cost/tonne	Actual cost paid by district council	Difference between actual and average cost (Equalisation)	CCC Share of Equalisation (85.64% based on tonnes)	WDC Share of Equalisation (14.36% based on tonnes)
Ashburton	13,333.60	\$31.93	\$425,741.85	\$608,030.34	\$182,288.49	\$156,117.25	\$26,171.10
Selwyn	20,920.73	\$31.93	\$667,998.91	\$724,161.06	\$56,162.15	\$48,098.97	\$8,046.59
					\$238,450.64	\$204,216.35	\$34,234.29

- 2.8 The agreed mechanism for payments to Ashburton and Selwyn Councils is via a request by the Joint Committee to Transwaste Canterbury Limited to adjust the company's final dividend payments (as declared annually) accordingly. That is, to reduce the Christchurch and Waimakariri Councils' dividend payments by the amounts indicated above and to increase the Ashburton and Selwyn Councils dividend payment accordingly.
- 2.9 Conclusion: The change from Option 1 to Option 2 better reflects the current market for waste operations (large commercial volumes), and provides a more equitable arrangement for ratepayers going forward.

Attachments Ngā Tāpirihanga

No.	Title	Page
A 	Transport Equalisation Cost for Kate Valley Landfill FY2021	41

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:

- (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

Authors	Zefanja Potgieter - Senior Resource Advisor Rowan Latham - Contract & Project Lead
Approved By	Ross Trotter - Manager Resource Recovery Lynette Ellis - Head of Transport & Waste Management Jane Davis - General Manager Infrastructure, Planning & Regulatory Services Dawn Baxendale - Chief Executive

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 RELEASED
7.	PUBLIC EXCLUDED CANTERBURY REGIONAL LANDFILL JOINT COMMITTEE MINUTES - 2 AUGUST 2021			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
8.	TRANSWASTE CANTERBURY LTD DIRECTORSHIPS	S7(2)(A)	PROTECTION OF PRIVACY OF NATURAL PERSONS	TO PROTECT THE CANDIDATE'S REPUTATION IN THE EVENT THEY ARE NOT APPOINTED.	IMMEDIATELY FOLLOWING NOTIFICATION TO THE CANDIDATE OF THE JOINT COMMITTEE'S DECISION.
9.	TRANSWASTE CANTERBURY LTD - DRAFT STATEMENT OF INTENT 2022/23	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 INTERESTED PARTIES.	WHEN THE FINAL STATEMENT OF INTENT IS PUBLICLY RELEASED, BY THE END OF JULY 2022