

## **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 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](mailto:andrew.campbell@ccc.govt.nz).

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#### **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 Mauger - Christchurch City Council
	Councillor Grant Miller - Selwyn District Council
	Councillor Michael Ward - Hurunui District Council

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**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](mailto:andrew.campbell@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 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).

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## Canterbury Regional Landfill Joint Committee OPEN MINUTES

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

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**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

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Petrea Downey  
Committee Advisor  
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[www.ccc.govt.nz](http://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 4<sup>th</sup> DAY OF APRIL 2022**

**COUNCILLOR JIMMY CHEN**  
**CHAIRPERSON**



## 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 year<sup>1</sup>, 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.

<sup>1</sup> 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:	
<ul style="list-style-type: none"> <li>(i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and</li> <li>(ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.</li> </ul>	
(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.

*Transwaste Canterbury Limited  
Interim Report*

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Transwaste Canterbury Limited  
Interim Report

## Directory

<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 T H Nickels Mr R A Pickworth Mr G S Miller Mr H E G Maehl																
<b>Shareholders</b>	<table> <tr> <th></th><th><b>No of Shares (Ordinary)</b></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>		<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																
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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>	<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																
<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 2021

Your Directors take pleasure in presenting their Interim Report including the financial statements of the group for the six months ended 31 December 2021.

### 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 has continued with the progressive closure, capping and landscaping of the landfill cells. The site has been handed back to Christchurch City Council and minor landscaping works are being completed.

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	39,110	-
Mr P S Mauger	19,556	-
Mr T H Nickels	19,556*	-
Mr G S James	22,555*	-
Mr I G Kennedy	19,556*	-
Mr G S Miller	19,556	-
Mr R A Pickworth	22,555	4,554
Mr H E G Maehl	19,556*	-

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

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Item 4

Attachment A

Transwaste Canterbury Limited  
Interim Report

## Directors' Report to the Shareholders (Continued)

For the six months ended 31 December 2021

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.

No other remuneration or benefits have been paid to directors, with the exception of Mr RA Pickworth who has received \$4,554 in consulting fees. 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

	Position Held
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 and subsidiary	Director
Venues Otautahi Limited	
(commenced 1 September 2021)	Director
CMUA Project Delivery Limited	
(commenced 9 September 2021)	Director
Committee for Canterbury	Trustee
Project Crimson	Trustee
Foodco Pty Limited (commenced 1 September 2021)	Director

#### MR I G KENNEDY

	Position Held
Burwood Resource Recovery Park Limited	Director
Waste Management NZ Limited	Employee

#### MR T H NICKELS

	Position Held
Burwood Resource Recovery Park Limited	Director
KT Advisory Limited	Director

#### MR G S JAMES

	Position Held
Burwood Resource Recovery Park Limited	Director
Canterbury Material Recovery Facilities Limited	Director
Waste Management NZ Limited	Employee

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Transwaste Canterbury Limited  
Interim Report

## Directors' Report to the Shareholders (Continued)

For the six months ended 31 December 2021

### MR R A PICKWORTH

	Position Held
Burwood Resource Recovery Park Limited	Director
Westpower Limited, plus various wholly owned subsidiaries	Director
Westroads Limited	Director
Ashburton Contracting Limited	Director
Whitestone Contracting Limited (finished 31 December 2021)	Director
Pipeline Group Limited, plus various wholly owned subsidiaries	Director
McLenaghan Contracting Limited	Director
S & L General Partners Limited (commenced 1 February 2022)	Director

### MR H E G MAEHL

	Position Held
Burwood Resource Recovery Park Limited	Director
Beijing Capital Group NZ Investment Holding Limited	Director
Waste Management NZ Limited, plus various wholly owned subsidiaries	Director
Waste Management NZ Limited	Employee
Midwest Disposals Limited	Director
Waste Disposal Services	Executive Committee Member

### MR P S MAUGER

	Position Held
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
Rowwdy Limited	Shareholder
NZ Transport Engineering Limited	Shareholder
Maugers Contracting Limited	Shareholder and Director

### MR G S MILLER

	Position Held
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

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Transwaste Canterbury Limited  
Interim Report

## Directors' Report to the Shareholders (Continued)

For the six months ended 31 December 2021

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 \$31,610 (2020: \$27,815).

### **Recommended Dividend**

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 \$8,400,000 were paid during the six month period ended 31 December 2021.

An interim dividend of \$6,700,000, together with a further project dividend of \$1,300,000 relating to the Burwood Recovery Park project declared after the reporting date (25 February 2022), are disclosed in Note 6.

### **Donations**

The parent company made donations of \$43,292 to the Kate Valley Landfill Community Trust during the period (2020: \$41,804).

### **Auditor's Remuneration**

The auditor of the Group is Audit New Zealand, acting on behalf of the Auditor-General.

The annual remuneration for auditing services for the group provided by Audit New Zealand for the 2021 annual audit was \$62,714 (2020: \$65,144). No other services were provided by the auditor. These interim financial statements are not audited.

(7)

Item 4

Attachment A

## Statement of Objectives and Performance

For the six months ended 31 December 2021

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

**Environment:** *To ensure that the Transwaste 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 its natural resources.*

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2022)	Progress Toward Achievement
(a) No proven breaches of Resource Management Act consents.	Nil established consent breaches notified during the year or advised by ECan.	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

**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 2022)	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 is very low. Pig cull completed in June 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 – regular monthly trapping and monitoring being undertaken.
(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).	Achieved for the year ended 31 December 2021.

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Transwaste Canterbury Limited  
Interim Report

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2022)	Progress Toward Achievement
(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 2022 to 2024.	In progress. Dependent on transmission line upgrades.
(e) Measure the company's carbon footprint.	Carbon footprint is measured and independently certified.	Project commenced with Toitu Envirocare to measure and certify carbon footprint.
(f) Reduce GHG emissions from Controlled Waste haulage	Maintain or improve average Euro emission rate of CWS fleet.	On track, based on reduced emission standard of replacement trucks (2 far this year).
(g) Provide ongoing planting and growth of native trees and bush in the Tiromoana Bush area.	Number of ETS units received under ETS schemes available.	Project commenced to measure and register planting in ETS.

**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 2022)	Progress Toward Achievement
(a) Finance the Kate Valley Landfill Community Trust (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 \$43,292, based on the prior year, was made during the period. The final contribution for the year ended 31 December 2021 will be made by 28 February 2022.
(b) Develop and maintain education material with regard to waste management and the environment.	Material used by schools.	On track. Programme developed with Core Education, marketing programme commenced. Successful completion of 2021 workplan with Woodend and Tuahiwi Schools.
(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.

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## Statement of Objectives and Performance (Continued)

For the six months ended 31 December 2021

### 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 2022)	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 occurred, despite the landfill being closed due to high wind on 4 days for 20 hours in total (to 31 December 2021).

### 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 2022)	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 2021 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

## Statement of Objectives and Performance (Continued)

For the six months ended 31 December 2021

### 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 2022)	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.	On track. Turnover of permanent employees at Kate Valley was 3 at landfill and 3 in transport out of 45 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 staff training.	On track. Kate Valley staff undertaken 6.7 hours per FTE year to date (6 months).

### 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 2022)	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 2021.
(b) Engage with other interest groups including Tangata Whenua and discuss all issues likely to affect them.	Three interactions with interest groups per year.	Interaction 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 2021

### Objective

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

Desired Outcomes	Performance Measures and Target (for Year Ending 30 June 2022)	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.  Nil known legislative and regulatory non-compliance.	On track. Monthly reporting is undertaken. Compliance reporting up to date at Kate Valley. No non-compliances noted.  On track. No notices of non-compliance received to date.

### 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 2022)	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 \$54,553,000  EBIT of \$18,685,000  Dividends relating to Kate Valley of \$13,700,000	On track to achieve. Total revenue year to date is ahead of target.  On track to achieve.  Dividends totalling \$15,100,000 to be paid during the year for the Kate Valley operations.

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Transwaste Canterbury Limited  
Interim Report

## Consolidated Interim Statement of Comprehensive Income

For the six months ended 31 December 2021

	Note	December 2021 \$'000	December 2020 \$'000	June 2021 \$'000
		Interim (Unaudited)	Interim (Unaudited)	Annual (Audited)
<b>Revenue</b>				
Sales excluding waste levy	2	25,107	25,338	50,709
Waste levy		3,595	1,740	3,511
Sales including waste levy		28,702	27,078	54,220
Rental		28	33	60
Other revenue		-	-	-
Interest		-	37	45
Changes in fair value of forestry		-	-	581
Gain on sale of property, plant and equipment	3	-	-	-
<b>Total Revenue</b>		<b>28,730</b>	<b>27,148</b>	<b>54,906</b>
<b>Expenses</b>				
Audit fees				
- Annual audit		35	31	63
Depreciation and amortisation		2,926	3,189	5,725
Employee benefits costs		182	173	343
Landfill and facilities operating expenses		10,721	12,528	22,561
Loss on sale of property, plant and equipment		21	13	24
Waste levy		3,595	1,740	3,511
Other expenses		1,335	1,236	3,389
<b>Total Expenses</b>		<b>18,815</b>	<b>18,910</b>	<b>35,616</b>
<b>Profit before finance costs and tax</b>		<b>9,915</b>	<b>8,238</b>	<b>19,290</b>
Finance costs		77	34	68
<b>Profit before tax</b>		<b>9,838</b>	<b>8,204</b>	<b>19,222</b>
Income tax expense		2,754	2,342	5,449
<b>Profit for the period</b>		<b>7,084</b>	<b>5,862</b>	<b>13,773</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Cash flow hedges, net of tax		161	(107)	(112)
<b>Total other comprehensive income for the period</b>		<b>161</b>	<b>(107)</b>	<b>(112)</b>
<b>Total comprehensive income for the period</b>		<b>7,245</b>	<b>5,755</b>	<b>13,661</b>

The notes on pages 18-25 form an integral part of this condensed consolidated interim financial information.

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Transwaste Canterbury Limited  
Interim Report

**Consolidated Interim Statement of Changes  
in Shareholders' Equity**  
For the six months ended 31 December 2021

	Note	Contributed equity \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance 1 July 2020</b>		16,000	481	30,695	47,176
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	6	-	-	(7,100)	(7,100)
<b>Balance 31 December 2020</b>		<b>16,000</b>	<b>374</b>	<b>29,457</b>	<b>45,831</b>
<b>Balance 1 July 2021</b>		16,000	369	22,368	38,737
Profit for the period		-	-	7,084	7,084
<i>Other comprehensive income:</i>					
Cash flow hedges, net of tax		-	161	-	161
<b>Total comprehensive income for the period ended 31 December 2021 (unaudited)</b>		-	161	7,084	7,245
Dividend	6	-	-	(8,400)	(8,400)
<b>Balance 31 December 2021</b>		<b>16,000</b>	<b>530</b>	<b>21,052</b>	<b>37,582</b>
<b>Balance 1 July 2020</b>		16,000	481	30,695	47,176
Profit for the year		-	-	13,773	13,773
<i>Other comprehensive income:</i>					
Cash flow hedges, net of tax		-	(112)	-	(112)
<b>Total comprehensive income for the year ended 30 June 2021 (audited)</b>		-	(112)	13,773	13,661
Dividends	6	-	-	(22,100)	(22,100)
<b>Balance 30 June 2021</b>		<b>16,000</b>	<b>369</b>	<b>22,368</b>	<b>38,737</b>

The notes on pages 18-25 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 2021

	Note	December 2021 \$'000 Interim (Unaudited)	December 2020 \$'000 Interim (Unaudited)	June 2021 \$'000 Annual (Audited)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	57,925	59,143	56,028
Forestry		2,585	2,004	2,585
Emission units		3,328	1,609	3,328
<b>Total non-current assets</b>		<b>63,838</b>	<b>62,756</b>	<b>61,941</b>
<b>Current assets</b>				
Cash and cash equivalents		5,109	7,759	3,257
Trade and other receivables		6,771	7,091	7,289
Term deposits		-	4,050	-
<b>Total current assets</b>		<b>11,880</b>	<b>18,900</b>	<b>10,546</b>
<b>Total assets</b>		<b>75,718</b>	<b>81,656</b>	<b>72,487</b>
<b>Equity</b>				
Contributed equity		16,000	16,000	16,000
Reserves		530	374	369
Retained earnings		21,052	29,457	22,368
<b>Total equity</b>		<b>37,582</b>	<b>45,831</b>	<b>38,737</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest-bearing loans	5	1,500	-	-
Provisions	4	24,210	26,186	21,630
Deferred income tax liability		2,871	2,915	2,684
<b>Total non-current liabilities</b>		<b>28,581</b>	<b>29,101</b>	<b>24,314</b>
<b>Current liabilities</b>				
Trade and other payables		7,444	5,244	5,593
Derivative financial instruments		133	350	357
Income tax payable		373	208	1,539
Provisions	4	1,556	900	1,928
Employee benefits		49	22	19
<b>Total current liabilities</b>		<b>9,555</b>	<b>6,724</b>	<b>9,436</b>
<b>Total liabilities</b>		<b>38,136</b>	<b>35,825</b>	<b>33,750</b>
<b>Total equity and liabilities</b>		<b>75,718</b>	<b>81,656</b>	<b>72,487</b>

The notes on pages 18-25 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 2021

	December 2021 \$'000 Interim (Unaudited)	December 2020 \$'000 Interim (Unaudited)	June 2021 \$'000 Annual (Audited)
<b>Cash flows from operating activities</b>			
Receipts from customers	29,189	25,032	51,965
Interest received	-	37	45
Other revenue	27	33	60
Payments to suppliers and employees	(14,534)	(13,981)	(27,178)
Interest paid	(33)	-	(1)
Income tax paid	(3,796)	(4,113)	(6,118)
Goods and services tax (net)	238	255	179
Net cash from operating activities	<u>11,091</u>	<u>7,263</u>	<u>18,952</u>
<b>Cash flows from investing activities</b>			
Sale of property, plant & equipment	70	18	18
Purchase of property, plant & equipment	(2,409)	(1,543)	(3,929)
Purchase of emission units	-	-	(2,855)
Monies withdrawn from/(deposited to) term deposits	-	(21)	4,029
Net cash from investing activities	<u>(2,339)</u>	<u>(1,546)</u>	<u>(2,737)</u>
<b>Cash flows from financing activities</b>			
Dividends paid	(8,400)	(7,100)	(22,100)
Loans advanced	1,500	-	-
Net cash from financing activities	<u>(6,900)</u>	<u>(7,100)</u>	<u>(22,100)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,852</b>	<b>(1,383)</b>	<b>(5,885)</b>
Cash and cash equivalents at beginning of the period	<u>3,257</u>	<u>9,142</u>	<u>9,142</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u>5,109</u></b>	<b><u>7,759</u></b>	<b><u>3,257</u></b>

The notes on pages 18-25 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 2021

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

	December 2021 \$'000 Interim (Unaudited)	December 2020 \$'000 Interim (Unaudited)	June 2021 \$'000 Annual (Audited)
<b>Profit for the period</b>	<b>7,245</b>	<b>5,755</b>	<b>13,661</b>
<b>Add/(less) non-cash items:</b>			
Depreciation, amortisation and impairment	2,926	3,189	5,725
Reassessment of landfill costs	-	900	-
Loss/(Gain) on changes in fair value of forestry	-	-	(581)
Electricity hedge swap	(161)	107	112
Time value adjustment	44	34	68
ETS surrendered	-	-	1,136
Loss/(Gain) on sales of property, plant and equipment	21	13	24
Deferred tax	124	-	(228)
	<u>2,954</u>	<u>4,243</u>	<u>6,256</u>
<b>Add/(less) movements in working capital items:</b>			
Receivables	486	(2,046)	(2,270)
Income tax payable	(1,165)	(1,771)	(440)
Trade payables – working capital	<u>1,912</u>	<u>1,538</u>	<u>1,907</u>
	<u>1,233</u>	<u>(2,279)</u>	<u>(803)</u>
<b>Add/(less) items classified as investing activities</b>			
Trade payables - property, plant & equipment	-	-	118
Closure and post-closure provisions utilised	<u>(341)</u>	<u>(456)</u>	<u>(279)</u>
	<u>(341)</u>	<u>(456)</u>	<u>(162)</u>
<b>Net cash inflow from operating activities</b>	<b><u>11,091</u></b>	<b><u>7,263</u></b>	<b><u>18,952</u></b>

The notes on pages 18-25 form an integral part of this condensed consolidated interim financial information.

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Item 4

Attachment A

Transwaste Canterbury Limited  
Interim Report

## Notes to the Consolidated Interim Financial Statements (unaudited) For the six months ended 31 December 2021

### 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 25 February 2022.

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 2021 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 2021, 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 2021

**2. Revenue**

	December 2021 \$'000 Interim	December 2020 \$'000 Interim	June 2021 \$'000 Annual
Waste disposal (excluding waste levy)	20,571	20,548	41,458
Waste levy on-charged to customers	3,595	1,740	3,511
Waste disposal sales including waste levy	24,166	22,288	44,969
Waste transport	3,571	3,847	7,385
Recovered materials	-	4	13
Electricity generation	965	939	1,853
<b>Sales</b>	<b>28,702</b>	<b>27,078</b>	<b>54,220</b>

**Waste levy cost**

Effective from 1 July 2009, a waste levy (currently levied at \$20 per tonne of waste to landfill) is payable by the company to the Ministry for the Environment. The levy, totalling \$3,595,000 for the period (31 December 2020: \$1,740,000), 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 are 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 2021

**3. Property, plant and equipment**

During the six months ended 31 December 2021, the group acquired assets with a total cost of \$2,409,000 (31 December 2020: \$1,543,000).

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 \$2,505,000 increase (2020: \$4,285,000 reduction) to the closure and post closure asset.

Asset disposals totalling \$70,000 occurred during the six month period to 31 December 2021 (31 December 2020: \$18,000).

**4. Provisions**

Provisions are represented by:

Closure and post-closure provisions

	December 2021 \$'000	December 2020 \$'000	June 2021 \$'000
	Interim	Interim	Annual
Opening balance	23,558	30,893	30,893
Assessment of current value of landfill costs:			
- Cost assessment	-	-	3,269
- Discount rate update	2,505	(3,385)	(9,492)
Effect of time value adjustment	44	34	67
Amounts used during the period	(341)	(456)	(1,179)
Closing balance	25,766	27,086	23,558
Comprising:			
Current	1,556	900	1,928
Non-current	24,210	26,186	21,630
Total closure and post-closure provisions	25,766	27,086	23,558

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.

## Notes to the Consolidated Interim Financial Statements (unaudited) For the six months ended 31 December 2021

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 1.30% to 4.30% (31 December 2020: 0.24% to 4.30%; 30 June 2021: 0.38% to 4.30%). 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 24 years.

The cash outflows for landfill post-closure are expected to occur in twenty four to fifty four 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. The site has been handed back to Christchurch City Council.

## 5. Borrowings

### Bank loans

The parent 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 parent company and first ranking mortgage over the property owned by the company.

During the financial year, net drawdowns of \$1,500,000 have occurred on the facility.

### 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.

Transwaste Canterbury Limited  
Interim Report

**Notes to the Consolidated Interim Financial Statements (unaudited)**  
For the six months ended 31 December 2021

**6. Dividends**

	December 2021 \$'000 Interim	December 2020 \$'000 Interim	June 2021 \$'000 Annual
<b>Dividends paid during the period</b>			
Interim dividends <sup>1</sup>	-	-	5,000
Final dividends <sup>2</sup>	8,400	7,100	7,100
Project dividends <sup>3</sup>	-	-	10,000
	<u>8,400</u>	<u>7,100</u>	<u>22,100</u>

<sup>1</sup> No Interim dividends were paid during the 31 December periods (\$5,000,000 fully imputed on 26 February 2021).

<sup>2</sup> Final dividend (fully imputed) for 2021 of \$8,400,000 declared and paid on 27 August 2021 (2020: \$7,100,000 fully imputed on 28 August 2020)

<sup>3</sup> No project dividends were paid in the current period. Fully imputed project dividends of \$5,000,000 each, being dividends arising from the Burwood Resource Recovery Park project, were declared and paid on 26 March and 30 June 2021.

A fully imputed interim dividend of \$6,700,000, together with a further project dividend of \$1,300,000 relating to the Burwood Recovery Park project, were declared and paid on 25 February 2022.

**7. Capital commitments and operating leases**

	December 2021 \$'000 Interim	December 2020 \$'000 Interim	June 2021 \$'000 Annual
Capital commitments contracted for at balance date but not yet incurred for property, plant and equipment	5,101	4,922	2

The company has entered into forward contracts totalling \$1,596,000 (2020: \$nil) for the purchase of emissions units.

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:

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Transwaste Canterbury Limited  
Interim Report

**Notes to the Consolidated Interim Financial Statements (unaudited)**  
For the six months ended 31 December 2021

	December 2021 \$'000	December 2020 \$'000	June 2021 \$'000
	Interim	Interim	Annual
Not later than one year	55	55	55
Later than one year and not later than five years	27	82	55
Later than five years	-	-	-
Total non-cancellable operating leases	82	137	110

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 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 2021 \$'000	December 2020 \$'000	June 2021 \$'000
	Interim	Interim	Annual
<b>(a) Sales of services</b>			
Entities with joint control or significant influence over the entity (landfilling and transport)	8,411	8,817	16,968
Other related parties (landfilling and transport)	9,466	9,179	17,747
Entities with joint control or significant influence over the entity (rental)	3	3	5
	17,880	17,999	34,720
<b>(b) Purchases of services</b>			
Entities with joint control or significant influence over the entity (waste disposal, transport and construction)	12,499	11,555	27,972
Entities with joint control or significant influence over the entity (rates)	10	7	15
	12,509	11,562	27,987

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**Notes to the Consolidated Interim Financial Statements (unaudited)**  
**For the six months ended 31 December 2021**

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

*Receivables from related parties*

Entities with joint control or significant influence over the entity	1,768	1,755	1,483
Other related parties	1,984	1,774	1,660

*Payables to related parties*

Entities with joint control or significant influence over the entity	3,372	2,450	2,832
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**Key management personnel**

Directors' fees and other short term employee benefits	182	173	343
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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 (2020: nil).

**9. 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 2021 (2020: nil).

**Contingent liabilities**

	<b>December 2021 \$'000 Interim</b>	<b>December 2020 \$'000 Interim</b>	<b>June 2021 \$'000 Annual</b>
Bonds	15,912	15,912	15,912

Bonds of \$15,912,500 (2020: \$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.

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*Transwaste Canterbury Limited  
Interim Report*

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**Notes to the Consolidated Interim Financial Statements (unaudited)**  
**For the six months ended 31 December 2021**

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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. This excludes the landfill sites, for which closure provisions have been established. The site has been handed back to the Council and it has indicated that it is unlikely any remediation will be required, as the sites may be used for future activities. No material losses are anticipated in respect of the contingent liabilities.

**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.

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

25 February 2022

Dear Jimmy

**Transwaste Canterbury Limited - Interim Report to 31 December 2021**

At the Board meeting for Transwaste Canterbury Limited held on Friday 25 February 2022 the Interim Report for the six months ended 31 December 2021 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 before tax is around \$1.6 million higher than the equivalent period to 31 December 2020. The major variance to the result relates to additional costs last year for finalisation and closure of the Burwood Resource Recovery Park which have not been repeated in the current year.

The progress toward achievement of the financial and other objectives is outlined on pages 8 to 12 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 4 April 2022.

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

## 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	<b>\$156,171.25</b>	<b>\$26,117.24</b>
Selwyn	20,920.73	\$31.93	\$667,998.91	\$724,161.06	\$56,162.15	<b>\$48,115.56</b>	<b>\$8,046.59</b>
					<b>\$238,450.64</b>	<b>\$204,286.82</b>	<b>\$34,163.83</b>

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	<b>\$156,117.25</b>	<b>\$26,171.10</b>
Selwyn	20,920.73	\$31.93	\$667,998.91	\$724,161.06	\$56,162.15	<b>\$48,098.97</b>	<b>\$8,046.59</b>
					<b>\$238,450.64</b>	<b>\$204,216.35</b>	<b>\$34,234.29</b>

- 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

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



### Kate Valley Transport Equalisation Costs Costs and Tonnages For 20/21 Financial Year

Figures Exclude GST, See 14/1071486 for formula for calculation

Enter month to calculate years estimate	Month	12	100%
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**General Waste**

### CCC Facilities

### Non CCC Facilities

<b>Total Christchurch General Waste</b>		225,254.50	-	225,254.50	-	11,044.00	628.11	\$ 6,936,858.99
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### Special Waste

### CCC Facilities

### Non CCC Facilities

<b>Total Christchurch Special Waste</b>		67,177.58	-	67,177.58	-	3,294.00		\$ 2,069,076.91
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**Total Christchurch Waste**

Total To Kate Valley (Tonnes)		346,519.86	-	346,519.86	-	16,991.00	639.61	\$ 10,867,633.89
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**Average Cost Per Tonne**

### CCC & Waimakariri Cost Split

**Based On All Waste To Kate Valley**

**Based on Waste From Council Facilities Only (possible option not used)**

**Based on Waste From Council Facilities Only Excluding Special Waste (possible option not used)**

		Total Tonnes	Ave Cost/Tonne	Total Based on Ave	Cost based on Full Loads	Difference	CCC Share 85.64%	WDC Share 14.36%
Ashburton D C	General waste	13,333.60	\$ 31.93	\$ 425,741.85	\$ 608,030.34	\$ 182,288.49	156,117.39	26,171.10
Selwyn	General waste	20,920.73	\$ 31.93	\$ 667,998.91	\$ 724,161.06	\$ 56,162.15	48,098.97	8,063.18
						\$ 238,450.64	\$ 204,216.35	\$ 34,234.29

### Factors used in calculations

**Full Load Weight -**

**Ave Transport Cost**

Christchurch	\$	628.11	per load
Ashburton	\$	929.71	per load
Hurunui	N/A		per load
Selwyn	\$	705.81	per load
Waimakarari	\$	544.20	per load

## 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