

### 3. TRANSPORT COSTS FOR WASTE TO KATE VALLEY

<b>General Manager responsible:</b>	General Manager City Environment
<b>Officer responsible:</b>	City Water and Waste Manager DDI 941 6231
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#### PURPOSE OF REPORT

1. The purpose of this report is to approve the implementation of the first shared transport cost arrangement for waste transported to Kate Valley landfill.

#### BACKGROUND

2. On 4 September 2004 the Canterbury Waste Subcommittee passed a resolution to implement a shared transport cost arrangement whereby Christchurch City Council, Banks Peninsula District Council (now part of Christchurch City) and Waimakariri District Council proportionally contribute towards the transports costs for residual waste sent to Kate Valley landfill by Ashburton and Selwyn District Councils, in terms of an agreed method of calculation. By agreement the Hurunui District Council, as host council to the landfill, is not part of this cost share arrangement. The purpose of the arrangement is to ensure that communities further away from the landfill are not disadvantaged through transport costs.
3. The landfill started operating on 8 July 2005 and the following table sets out the relevant information for the first year of operation ending 30 June 2006:

	<b>Total waste tonnes</b>	<b>Average cost per tonne</b>	<b>Cost based on average across all communities</b>	<b>Cost based on full loads</b>	<b>Difference</b>	<b>CCC Share 93.83%</b>	<b>WDC Share 6.17%</b>
<b>Ashburton</b>	7,605.98	\$20.83	\$158,428.45	\$302,942.22	\$145,513.77	\$136,535.57	\$8,978.20
<b>Selwyn</b>	2,447.32	\$20.83	\$50,976.43	\$54,545.78	\$3,569.35	\$3,349.12	\$220.23

At the time this report was prepared the actual transported waste volumes for the month of June 2006 were not yet available and estimates were therefore used. Once these actual tonnages are available officers will make the necessary adjustments to the above calculations. It is anticipated that such adjustments would be of a very minor degree.

4. The agreed mechanism for payments to Ashburton and Selwyn Councils is through a request by the Joint Committee to Transwaste Canterbury Ltd to adjust the company's dividend payments (to be declared) accordingly – i.e. 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.

#### STAFF RECOMMENDATIONS

It is recommended that the Canterbury Landfill Joint Committee:

- (a) Approve the proposed transport cost payments to Ashburton and Selwyn District Councils as set out in the report, to be adjusted in terms of final tonnages for the period up to 30 June 2006.
- (b) Request Transwaste Canterbury Ltd to implement the finalised payments based on actual transported volumes up to 30 June 2006 by adjusting its dividend payments to the participating territorial authority shareholders.