

### 3. TRANSPORT COSTS FOR WASTE TO KATE VALLEY 2006/07

<b>General Manager responsible:</b>	General Manager City Environment, DDI 941 8656
<b>Officer responsible:</b>	City Water and Waste Manager
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#### PURPOSE OF REPORT

1. The purpose of this report is to seek approval to the implementation of the second year of the shared transport cost arrangement for waste transported to the Kate Valley landfill.

#### BACKGROUND

2. On 4 September 2004 the Canterbury Waste Subcommittee passed a resolution to implement a shared transport cost arrangement whereby the Christchurch City Council, Banks Peninsula District Council (now part of Christchurch City) and Waimakariri District Council proportionally contributed towards the transports costs for residual waste sent to Kate Valley landfill by the 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. On 10 July 2006 the Committee approved the 2005/06 transport cost arrangements. This report deals with the second year of implementing the transport cost arrangement.
4. The table below sets out a summary of 2006/07 financial year information based on all waste tonnages going to Kate Valley from Ashburton and Selwyn districts:

	Total waste in tonnes	Average cost / tonne for four Councils	Cost based on average cost	Actual cost paid by District Council	Difference funded by CCC and WDC	CCC Share 92.95% based on tonnages	WDC Share 7.05% based on tonnages
<b>Ashburton</b>	7,895.14	\$23.87	\$188,456.99	\$359,874.36	\$171,417.37	\$159,325.26	\$12,092.11
<b>Selwyn</b>	10,676.70	\$23.87	\$254,852.83	\$268,418.42	\$13,565.59	\$12,608.65	\$956.94

5. 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 final dividend payments (to be declared) accordingly – ie 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 RECOMMENDATION

It is recommended that the Canterbury Regional Landfill Joint Committee:

- (a) Approve the proposed transport cost payments to the Ashburton and Selwyn District Councils as set out in the report.
- (b) Request Transwaste Canterbury Ltd to implement the payments set out above by adjusting its dividend payments to the participating territorial authority shareholders.