

## 6. TRANSPORT COSTS FOR WASTE TO KATE VALLEY

The Subcommittee considered a report recommending an appropriate way forward in dealing with the transport costs of waste from shareholder member councils to the Kate Valley Regional Landfill. The report provided background to the provisions within the Constituting Agreement relating to the development of a scheme for transport equalisation costs between the joint venture councils in the regional landfill and general principles on which this could be developed.

Two options were detailed within the report and the second option which proposed that additional costs over and above the average cost per trip from the Ashburton and Selwyn Districts be shared with other councils on a proportional tonnage basis was recommended. This would mean that in future the Ashburton and Selwyn Districts would in effect only pay the average cost per tonne of waste to Kate Valley with the Christchurch City Council, Banks Peninsula District Council and Waimakariri District Council sharing the additional costs in respect to Selwyn and Ashburton.

Option 2 was preferred as an appropriate transport cost equalisation between the relevant councils as it met the original objective of not penalising those councils located further from Kate Valley without placing an unrealistic burden on a smaller council which is situated close to Kate Valley.

The Subcommittee **resolved**:

1. That it is appropriate to develop and implement a transport cost scheme as set out in option 2.
2. That there be a written agreement between the shareholder councils to agree the scheme details and methodology.
3. That the reallocation of the Transwaste Canterbury Ltd dividend be the means of implementing the scheme.

It was further agreed that a report back on this topic be made to the September 2004 meeting of the Subcommittee, that any agreement be drawn up by external consultants and that such agreement should not have a specified term but should be reviewable by the Subcommittee.