

### 3. TRANSPORT COSTS FOR WASTE TO KATE VALLEY 2009/10

<b>General Manager responsible:</b>	General Manager City Environment, DDI 941-8608
<b>Officer responsible:</b>	City Water and Waste Manager
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#### PURPOSE OF REPORT

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

#### BACKGROUND

2. On 6 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 table below sets out a summary of 2008/09 financial year information based on all waste tonnages going to Kate Valley from Ashburton and Selwyn districts: Last year's figures are in *italics*.

	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 based on tonnages \$	WDC Share based on tonnages \$
<b>Ashburton</b>	8,375.85 <i>(8,837.14)</i>	28.89 <i>(26.91)</i>	241,978.31 <i>(237,807.44)</i>	499,188.27 <i>(490,155.26)</i>	257,209.96 <i>(252,347.82)</i>	236,381.13 <i>(233,618.07)</i>	20,828.83 <i>(18,729.75)</i>
<b>Selwyn</b>	9,988.08 <i>(10,449.86)</i>	28.89 <i>(26.91)</i>	288,555.63 <i>(281,205.73)</i>	304,118.50 <i>(296,067.69)</i>	15,562.87 <i>(14,861.96)</i>	14,302.59 <i>(13,758.88)</i>	1,260.28 <i>(1,103.08)</i>

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 – 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. At the meeting of 13 July 2009 the Committee requested a reminder in 2010 of how the scheme works:

"On behalf of Canterbury Waste Subcommittee, Transwaste Canterbury Ltd is to calculate the equalisation payment using the following formula:

- (a) The number of return trips that would have been required by each district if all loads had been full loads.
- (b) The annual transport costs for all councils combined, based on full load trips.
- (c) The average cost per tonne for all councils combined, based on full load trips.
- (d) 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).
- (e) 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 Banks Peninsula, Christchurch City and Waimakariri.

- (f) Contributions required from Banks Peninsula, Christchurch City and Waimakariri shall be proportioned on the basis of annual tonnages from these Councils.

**STAFF RECOMMENDATION**

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.
- (b) Request Transwaste Canterbury Ltd to implement the payments set out above by adjusting its dividend payments to the participating territorial authority shareholders.