

19. RECOVERED MATERIALS FOUNDATION FUNDING

Officer responsible City Water and Waste Manager	Author Mike Stockwell, City Water & Waste Manager DDI 941-8332
--	--

The purpose of this report is to seek a one-off payment of \$50,000 to the Recovered Materials Foundation.

BACKGROUND

As a result of the recent review of Solid Waste activities by the Budget Scrutiny and Audit Committee a new contract is being negotiated between the Council and the Recovered Materials Foundation (RMF). This will come into effect on 1 July 2003 and is at the stage of detail finalisation before signing. The contract will result in large cost savings to the Council (ie CWW Unit) through reduced ongoing RMF funding (down from approximately \$0.85M/year to around \$0.10M/year net operational).

Councillors are aware that the kerbside collection of recyclables was considerably increased in late 2001 to include mixed paper and No. 2 plastics. This has resulted in the need for certain recyclables to be commingled by Onyx in their collection vehicle and then separated by the RMF at Parkhouse Road.

The RMF has recently introduced a sorting plant which for various reasons has cost more than they anticipated/budgeted. As a result they have requested financial assistance of \$50,000 to complete the plant (installation of a metals sorter etc). From 1 July when the Council's funding of the RMF radically reduces, the RMF budget is pretty much breakeven on an ongoing basis. On the basis of the considerably reduced Council funding and to facilitate finalising the CCC/RMF contract it is recommended that the Council make this one-off \$50,000 payment to the RMF.

SOURCE OF FINANCE

The CWW unit is predicting a substantial net underspend of several \$100K's on its 2003/04 budget. It is proposed that the \$50,000 payment be financed from this underspend. This matter has been discussed with the Director of Finance, Bob Lineham, who agrees with this strategy.

Staff

Recommendation: That the Council make a one-off payment of \$50,000 to the RMF to assist in financing the RMF's materials sorting plant, to be met from the City Water and Waste 2002/03 budget.

(Note: This report is going to both the Sustainable Transport and Utilities Committee and the Strategy and Finance Committee.)

Chair's

Recommendation: That the above recommendation be adopted.