

## 6. FAIR RATE OF RETURN

The Subcommittee considered a report (considered in the public excluded section of the meeting) by Mr John Orr, Secretary, Transwaste Canterbury Ltd, on the result of negotiations to determine a fair rate of return as prescribed by the Memorandum of Understanding for Transwaste Canterbury Ltd.

Mr Gill Cox and Mr Gerry Clemens, nominee directors, Transwaste Canterbury Ltd, also attended the meeting and spoke on the process undertaken between the respective parties and the consultants to finalise this matter.

The Subcommittee **resolved** to approve the recommendations of the directors representing the participating local authorities on the Transwaste Canterbury Ltd Board concerning the methodology adopted in establishing the weighted average cost of capital for the company and a fair rate of return.