



1. FINANCIAL REPORT UPDATE

Officer responsible Waste Manager	Author Zefanja Potgieter
Corporate Plan Output: Regional Landfill	

The purpose of this report is to report on further costs for professional advice, and to report new advice on calls for capital received from TransWaste Canterbury Ltd.

CONSULTANTS COST UPDATE

**Table 1 - Consultant Costs for Canterbury Waste Subcommittee
Incurred 1999/00**

	Actual costs 1 July 1999 to 31 May 2000	Estimated costs 1 June 2000 to 30 June 2000	Estimated Total for 1999/00
Buddle Findlay (legal)	79,071	0	79,071
Price Waterhouse Coopers (financial)	1,025	0	1,025
Tony Frankham (Fair Rate of Return)	10,693	4,000	14,693
Bob Batty (fund Administrator)	2,844	0	2,844
Sub-Total	93,633	4,000	97,633
Invoice to TransWaste Canterbury Ltd for agreed part share of legal costs re. Commerce Commission.			- 3,291
Total			\$94,342

The total is less than the budgeted amount of \$100,000. Participating councils will be invoiced as per the previously agreed population formula.

It should be noted that the Christchurch City Council Principal Accountant John Mackay advises that payment for professional services should be made from operational funding not capital funding. This is a matter for individual councils to address within their own organisation as appropriate to each.

CAPITAL FUNDING RE-ADJUSTMENT

Revised calls on capital for the year 1 July 2000 to 31 June 2001 have been received from TransWaste Canterbury Ltd (see attached PriceWaterhouse Coopers letter dated 31 May 2000) largely as a result of the desirability to purchase a site instead of leasing one.

Calls past and future are shown in the table below and compared with previous advice in the 13 March report.

Table 2 - Regional Landfill Capital Estimates

	As advised by John Orr (ie TCL)			Best estimate to keep total to 21,500,000			Totals
	98/99	99/00	00/01	01/02	02/03	03/04	
Total TCL Requirements by call							
(a) 15 June 1998	2,500,000						2,500,000
(b) 1 August 1999		4,500,000					4,500,000
(c) 1 August 2000			3,000,000				3,000,000
(d) After 1 August & in 2000/01			4,500,000				4,500,000
(e) In 2001/02				2,500,000			2,500,000
(f) In 2002/03					2,500,000		2,500,000
(g) In 2003/04						2,000,000	2,000,000
Total TCL Requirement	2,500,000	4,500,000	7,500,000	2,500,000	2,500,000	2,000,000	21,500,000
Totals for CWSC (ie 50%)	1,250,000	2,250,000	3,750,000	1,250,000	1,250,000	1,000,000	10,750,000
Previous totals for CWSC in 13 March report	1,250,000	2,350,000	2,750,000	2,200,000	2,200,000	-	10,750,000

Points to note are:

- The total funding for CWSC and CWS each remains at \$10.750m.
- The call in 2000/01 is bigger than previously advised, balanced by smaller subsequent calls.
- Funding spread for years 01/02, 02/03, 03/04 is a best estimate.
- Total cost of the project is not known precisely but is likely to be between \$24m and \$30m. The balance beyond \$21.5m (ie 10.750 x 2) will be made up by borrowing with the debt/equity ratio yet to be determined by TCL

Territorial authority shareholders are reminded that their share of the required funding (ie. their share off the second to bottom row of Table 2) based on previously agreed population figures in the Constituting Agreement is as follows:

Council	Population (1996 census)	%
Christchurch	314,000	75.70
Waimakariri	32,100	7.74
Hurunui	10,000	2.40
Selwyn	25,000	6.03
Ashburton	25,000	6.03
Banks Peninsula	8,700	2.10
Total	414,800	100.00

Recommendation: That the participating councils be requested to budget for the calls indicated in Table 2.