

7. FINANCIAL UPDATE

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Corporate Plan Output: Regional Landfill	

The purpose of this report is to advise on revised timing calls on capital by Transwaste Canterbury Limited.

BACKGROUND

A letter of 4 August has been received from John Orr of Price Water house Coopers (attached) advising of update timing for the \$4.5m capital call by Transwaste Canterbury Limited (TCL) on its shareholders for the 2000/01 year. Known and anticipated future capital calls are shown in the table below.

CAPITAL CALLS

Table 1: Regional Landfill TCL Capital Call Estimates (\$m)

	As Advised by John Orr (ie TCL)			Best Estimate to keep total to 21,500,000		03/04	Totals
	98/99	99/00	00/01	01/02	02/03		
total TCL Requirements by all							
(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) 1 October 2000			1,500,000				1,500,000
(e) 1 February 2000			3,000,000				3,000,000
(f) In 2001/02				2,500,000			2,500,000
(g) In 2002/03					2,500,000		2,500,000
(h) 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

Points to note are:

- The funding amount and spread for years 01/02, 02/03 and 03/04 are our own best estimates and have not been firmly substantiated by Transwaste yet on the basis that TCL has not yet finalised a landfill site or a debt/equity ratio. TCL previous estimate of landfill capital cost was between \$24m and \$30m. (ie total inclusive of equity and debt funding).
- There are other capital requirements for Canterbury Waste Subcommittee members as follows.

Table 2: Other Known Capital Requirements for CWSC (\$1000)

	2000/01	2001/02	Total
Community Participation Fund	150 (previously 100)	100 (previously 150 in year 99/00)	250
Host Support		50	50
Totals	150	150	300

OPERATIONAL COSTS

Canterbury Waste Subcommittee shareholders need to allow for the following operational costs in addition to the above capital costs.

Table 3: Operational Costs (\$1000)

	1999/00	2000/01	2001/02	Total
Independent Consultants (refer 13 March CWSC report)	107	100	100	307
Publicity and Education (Strategy/ Glass Tower etc)	75	75		150
Totals	182	175	100	457

Territorial authority shareholders are reminded that their share of the required funding 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

Chairman's

Recommendation: That the information be received.