

## 5. CHAIRMAN'S REPORT - TRANSWASTE BOARD MEETING 21 JUNE 2002

The Tiromoana Station Limited budget 2002/03 was discussed and adopted. This document was prepared by Martin Pinkham, Development Engineer, Canterbury Waste Services, and was reviewed by Gareth James, General Manager, Canterbury Waste Services and Gerry Clemens, Director Transwaste Canterbury Ltd. The budget was presented by Gerry, who the Board has appointed to oversee the farming operation at Tiromoana. The document reviewed the background and recent history of farming at Tiromoana, and noted that the 2000/01 year had been characterised by very wet conditions during spring and early summer and extremely dry weather for the balance of the year. The current year has had a very dry winter spring and early summer, but the balance of the summer and autumn has been mild and wet.

Over the last few years, Tiromoana station operated the following farming regime:

15,500 stock units on 2757 hectares  
13,000 Corriedale sheep stock units  
90 per cent to 100 percent lambing  
62,000 kilograms of wool  
2500 cattle stock units  
95% calving

The document listed the proposed changes identified in the long term farming assessment, and it listed the changes that had been adopted.

The document also reviewed the farming environment and market conditions. Returns have improved over the last two years with prices being well above average.

Returns have benefited from a lower exchange rate, which may not be sustained, and improved returns from better marketing of sheep meats. In the medium term, prospects are very sound, but given the uncertainties in the international economy caution is required in predicting returns that may be able to be achieved over the next two years. Returns are therefore being conservatively predicted.

The objectives for Tiromoana station are to:

- maintain a highly productive Corriedale flock
- maximise the number of prime lambs sold over the summer and early autumn
- maintain a highly productive Angus/Hereford herd
- maximise the number of prime steers sold in spring

Details of the stocking strategy were fully set out in the document together with full details of operational policies.

Full details of the proposed 2002/03 budget were recorded, predicting a surplus. Capital expenditure was also reviewed and a capital expenditure programme was approved.

With regard to future years the document states that farming policies will be modified in 2003/04 on the assumption that the consent process timeline for the landfill remains as planned. The major impact of this will be the sell down of stock during that year. The exact extent and timing of this is dependent on the actual outcome of the sell down strategy to be developed over the coming months.

The document also contains a financial summary until the end of June 2004, which predicts a significant cumulative surplus based on sale of capital stock at the end of the 20003/04 year.

The Board also received the monthly progress report from the General Manager CWS. This report covered in some detail, the persons and organisations with whom/which the consultation process has been continuing.

The report also recorded that Environment Canterbury and Hurunui District Council had both formerly advised that the consent applications which had been lodged were suitable for notification without any section 92 requests for further information. This reflects the quality in the preparation of the applications and supporting material. Accordingly, the applications were advertised on Saturday 8 June 2002.

CWS has been working with CCC staff on transition issues relating to the transfer of waste disposal from Burwood to Kate Valley. A transport transition plan to show how the transition will be managed is being prepared. Preparations for necessary alterations to transfer stations are also being planned, and to ensure that containers are built in time, and that appropriate contractual and financial arrangements are made in a timely way.

The monthly CWS financial report to 31 May 2002 was reviewed. This relates to phase 2A, consent applications. This was achieved satisfactorily within budget. Overall, the project is proceeding significantly under budget so far. The budget for phase 3, Council hearings, was also presented for information.

The Company Secretary tabled his report. It included a record of funds invested as at 12 June, showing total funds available now standing at \$942, 787. A receipts and payments account, and a statement of financial position were also received. Recent correspondence for board attention was also reviewed.

**Chairman's  
Recommendation:** That the information be received.

(Note: As this item is one relating to the operation of Transwaste Canterbury Ltd in terms of clauses 3(a) and 11(a) of the constituting agreement, only those councils holding shares in the joint venture company may vote on this item.)