

## **Introduction**

Techscape's core business is the provision of management, minor construction and maintenance services suited to the needs of local authorities and similar organisations that own and support infrastructural assets. It is ultimately owned equally by the North Shore and Waitakere city councils through their respective holding companies. Techscape is a "Council-Controlled Trading Organisation" ("CCTO") as defined by the Local Government Act 2002.

This Statement of Intent has been developed between Techscape and its shareholders to:

- State publicly the activities and intentions of Techscape for the year to 30 June 2006 and the following two financial years including the objectives to which these activities will contribute.
- Provide an opportunity for the shareholders to influence the direction of Techscape.
- Provide a basis for the accountability of the directors to the shareholders for the performance of Techscape.

The content of the Statement is specified in Schedule 8 of the Local Government Act 2002.

The Statement of Intent is reviewed annually with the shareholders, although each Statement spans a three-year horizon.

## **Objectives**

As a Council-Controlled Trading Organisation, the principal objectives of Techscape are stated in section 59 of the Local Government Act 2002, specifically:

- To achieve the objectives of its shareholders, both commercial and non-commercial, as specified in this Statement of Intent.
- To be a good employer.
- To exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates.
- To conduct its affairs in accordance with sound business practice.

In addition to the principal objective, Techscape will have the following additional objectives:

- 1) To maximise Techscape's value, both in its own right and as a strategic investment of the Shareholders by:
  - a) recognising and retaining all existing contracts with North Shore City Council and Waitakere City Council and at the same time growing the business by:
    - i) meeting all the commercial requirements and growth opportunities available from both councils; and
    - ii) growing external commercial business at a greater rate, so that, over time, the amount of external commercial business as a percentage of the total will increase.

- 
- b) exploring opportunities for adding value to Techscape through merger, take-over or other options including the establishment of Joint Ventures with other organisations that can enhance or complement Techscape's operating capabilities.
  - c) diversification of the client and business base to reduce any potential adverse impacts of industry restructuring and regularly refining Techscape's core business to meet market and regulatory changes.
  - d) increasing operational efficiency.
  - e) increasing cost effectiveness.
- 2) To increase the rate of return on the shareholders' investment in Techscape by:
- a) achieving revenue and profitability growth in accordance with the company's annual business plans.
  - b) prudently managing assets and liabilities and adopting a sustainable dividend payment policy that balances the shareholders' expectations in respect of dividend payments with Techscape's capital requirements for:
    - i) expansion, diversification and other growth and investment opportunities.
    - ii) asset replacement to maintain operational capability and for investment in new technologies.
- 3) To meet clients' expectations through the delivery of quality services by a skilled and motivated team of employees at a price that provides value for money.
- 4) To uphold the principles contained in the partnering agreements with the shareholding councils.
- 5) To be a good corporate citizen and employer by:
- a) acting ethically
  - b) being culturally and environmentally conscious
  - c) complying with legislative requirements
  - d) seeking to achieve the highest standards relating to health and safety practice and to eliminate work place accidents
  - e) being a fair employer with dignified human resource practices in respect of all employees

---

## **Nature and Scope of Activities**

Techscape will provide management, construction and maintenance of private and publicly owned assets and will offer a wide range of services suited to the needs of local authorities and similar organisations that own and support infrastructural assets.

Services will include:

- 1) Installation, management, rehabilitation, preventative maintenance and repairs to public and privately owned sewerage, storm water and water supply reticulation systems including associated pumping stations.
- 2) Construction, management and maintenance of roads, footpaths, bridges, driveways, and other community assets including, parks, parks furniture, playgrounds, play equipment, sports fields, reserves, bus shelters, street furniture and other civic amenities.
- 3) The development and maintenance of "green space" including landscaping, vegetation and noxious plant control and management.
- 4) Street cleaning, litter control and other environmental management services.
- 5) Asset management services.
- 6) Waste management services.
- 7) Installation of all types of underground reticulation services.

Techscape may carry out any other relevant activity, associated with that of companies engaged in the construction industry and the maintenance of infrastructural assets and such other activities that are considered appropriate by the directors and that are consistent with its objectives.

## Governance

### Council Policy

In accordance with section 57 of Local Government Act 2002 local authorities are required to have in place a policy on the appointment of directors that sets out an objective and transparent process for:

- the identification and consideration of the skills, knowledge, and experience required of directors of a council organisation; and
- the appointment of directors to a council organisation; and
- the remuneration of directors of the council organisation.

Local authorities may appoint a person to be a director of a council organisation only if the person has, in the opinion of the local authority, the skills, knowledge, or experience to:

- guide the organisation, given the nature and scope of its activities; and
- contribute to the achievement of the objectives of the organisation.

### Role of the Board

The Board aims to ensure that the business of the company is carried out in the best interests of the shareholders and with proper regard to corporate responsibility.

The primary role of the board of directors is to:

- 1) Allocate capital and resources to enable the company to achieve its goals in a manner that best serves the interests of the shareholders as a whole.
- 2) Effectively represent and promote the interests of the shareholders with a view to adding long-term value.
- 3) Direct and supervise the management of the business affairs of the company including:
  - Establishing of goals and strategies
  - Establishing policies for strengthening the performance of the company
  - Monitoring performance of management
  - Appointing the chief executive
  - Deciding whatever steps are necessary to protect the company's financial position
  - Ensuring that financial statements are true and fair and conform to law
  - Ensuring the company adheres to high standards of ethics and corporate behaviour
  - Ensuring the company has appropriate risk management/regulatory compliance policies in place.
- 4) Satisfy itself that the company is achieving the company goals.
- 5) Familiarise itself with issues of concern to the shareholders and keep the shareholders informed on a timely basis through quarterly reporting and using the principle of no surprises.
- 6) Evaluate economic, political, social and legal issues that may impact on the business.

The chairperson's role is to manage the board effectively, to provide leadership to the board and to interface with the chief executive.

### **Risk Management**

The framework for managing and reporting on risk will follow the current standard AS/NZS 4360: 1999. Each year the Board will ensure there is a formal evaluation of the company's exposure to risk and satisfy itself that appropriate strategies are in place to manage or eliminate risk.

**Performance targets and other measures by which the performance of the company may be judged**

1. Achieve revenue of:

|                              |         |
|------------------------------|---------|
| For the year to 30 June 2006 | \$26mil |
| For the year to 30 June 2007 | \$30mil |
| For the year to 30 June 2008 | \$38mil |

2. Obtain work from external clients so that revenue from open market tendered work as a percentage of total revenue shall comprise:

|                              |      |
|------------------------------|------|
| For the year to 30 June 2006 | 5.0% |
| For the year to 30 June 2007 | 7.5% |
| For the year to 30 June 2008 | 10%  |

3. Achieve a tax paid surplus (before deducting convertible note interest) on consolidated shareholders' funds (as defined) for the year to 30 June 2006 and for the years to 30 June 2007 and 2008 of

|     |
|-----|
| 10% |
|-----|

5. Retain ISO9001 and ISO14001 certification in each of the relevant operating areas and utilise TQM philosophy to ensure continual improvement in all facets of the company's activities.

|         |
|---------|
| Achieve |
|---------|

6. Be environmentally responsible at all times and monitor success in this aim by reference to relevant key performance indicators.

|  |
|--|
| No successful prosecutions under the RMA |
|--|

7. Adopt and maintain procedures for adherence to the company's Health and Safety Programme to continually lower the frequency, severity and cost of lost time incidents; and to publish key performance indicators relating to the same.

|   |
|---|
| Reduction in frequency, severity & lost days when compared to the previous period |
|---|

## Information to be provided to the Shareholders

The company will provide information which meets the requirements of the Companies Act 1993, the Local Government Act 2002, and the Financial Reporting Act 1993, in order to enable the shareholders to make an informed assessment of the company's performance. The following information will be made available to the shareholders:

An annual Statement of Intent in accordance with Sect.64 of the Local Government Act 2002 and any other information that the directors deem appropriate.

A first and third quarter report of financial and non-financial information as deemed appropriate by the directors.

A half-yearly report in accordance with Sect.66 of the Local Government Act 2002 and any other information that the directors deem appropriate.

An annual report in accordance with Secs 67, 68 and 69 of the Local Government Act 2002 and any other information that the directors deem appropriate.

Any other information required by the shareholders, upon receipt of a joint written request from the shareholders through their respective representatives. The Local Government Act 2002 does not require the disclosure of sensitive information that may be properly withheld if a request for that information were made under the Local Government Official Information and Meetings Act 1987.

## Other Matters required by the Local Government Act

The following information is required to be disclosed in each Statement of Intent.

### Ratio of Shareholders' Funds to Total Assets

The target ratio of consolidated shareholders' funds to total assets of Techscape shall be more than 50%.

"Consolidated Shareholders' Funds" will include the sum of:

- the amount of paid up share capital
- the net of retained earnings and accumulated losses
- share premiums
- capital and revenue reserves
- loans to the company by the shareholders in the form of "Convertible Notes"

"Convertible Notes" are loans to the company by the shareholders that carry a fixed rate of interest, have no fixed repayment date, and are not repayable until after all other loans to and creditors of the company have been repaid. Under the terms of the issue of the Convertible Notes, the fixed rate of interest is set annually on 1 September each year at 5% above the published 90-day bank bill rate.

"Total Assets" includes all current assets, investments, fixed assets and intangible assets.

### Accounting Policies

The following Accounting Policies are those as applied in the June 2004 financial statements. No material changes to these policies are foreseen for the next three financial years

1) Goods and Services Tax

The financial statements have been prepared exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated GST inclusive. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

2) Employee Entitlements

Provisions are made in respect of the company's liability for annual leave and alternative holidays. Annual leave and alternative holidays have been calculated on an actual entitlement basis at relevant daily pay rates. Employees are not entitled to long service leave.

3) Taxation

Income tax is charged in the statement of financial performance in respect of the earnings for the year after allowing for permanent differences between reported earnings and assessable earnings for income tax purposes.

Deferred taxation is determined on a comprehensive basis using the liability method. A debit balance in the deferred taxation account arising from timing differences or income tax benefits from income tax losses, is only recognised where there is virtual certainty of realisation.

4) Accounts Receivable

Accounts receivable is stated at expected realisable value after providing for unrecoverable debts.

5) Construction Contracts

Profits on contracts are recognised progressively over the period of each contract. The amount included in the statement of financial performance, and carrying value of the contract work in progress, are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results. Foreseeable losses on a contract are recognised immediately.

6) Inventories

Inventories are valued at the lower of cost, determined on a first in first out basis and net realisable value. Valuation includes allowances for slow moving and obsolete inventories.

7) Fixed Assets

Fixed assets are valued at historical cost and are depreciated on a straight-line basis over their estimated useful lives.

8) Depreciation

Depreciation is provided on a straight-line basis on all fixed assets.

The useful lives of major classes of assets have been estimated as follows:

|  |  |  |
|--|--|--|
|  |  |  |
|  |  |  |
|  |  |  |

|                                |                |             |
|--------------------------------|----------------|-------------|
| Buildings                      | 10 - 33 years  | 3 – 10% SL  |
| Leasehold Improvements         | 4 - 5 years    | 10 – 50% SL |
| Motor Vehicles                 | 2 - 10 years   | 10 – 50% SL |
| Mobile Plant                   | 2 - 10 years   | 10 – 50% SL |
| Plant and Equipment            | 2 - 10 years   | 10 – 50% SL |
| Computer Equipment             | 2.5 - 10 years | 10 – 40% SL |
| Office Furniture and Equipment | 2.5 - 10 years | 10 – 40% SL |
| Telephone Equipment            | 2.5 - 10 years | 10 – 40% SL |

9) Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts and demand deposits in which the company invests as part of its day to day cash management. Operating activities include cash received from all income sources of the company and records the cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets. Financing activities comprise the change in equity and debt capital structure of the company.

10) Leases

Operating Leases:

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the period in which they are incurred.

Finance Leases:

Leases which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset and the present value of the minimum lease payments.

The leased assets and the corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period the company is expected to benefit from their use.

11) Financial Instruments

The company is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the statement of financial position and all revenues

and expenses in relation to financial instruments are recognised in the statement of financial performance.

### **Distribution of Profits**

In recommending whether or not to pay dividends to the shareholders, and if so what amount, the directors will have regard to the results of Techscape and the surrounding circumstances including commercial returns applicable to comparable private sector companies. The profit retention and dividend policy will be determined from year to year by the directors in time for the shareholders' annual planning process with the objective of ensuring that the payment of a dividend shall not limit Techscape's ability to fund future expenditure requirements for the maintenance and expansion of operational capability and to service Techscape's debt structure.

The dividend for the period to 30 June 2006 shall be a sum to be agreed with the shareholders. It is anticipated that, subject to the foregoing philosophy, the dividend to be paid for the year to 30 June 2006 together with the interest on the convertible notes will total approximately 50% of the company's tax paid profits, after adjustment for the interest on the capital notes. Subject to Techscape's funding requirements, consideration will be given to payment of an interim dividend.

Any dividend will also be subject to the directors being satisfied that:

- the requirements of Section 4 of the Companies Act (Solvency Test) have been satisfied;
- the amount of the dividend does not exceed the amount of the profit after tax in the year in respect of which the dividend relates; and
- total liabilities do not exceed 50% of the total assets.

### **Procedures for the acquisition of shares in any company or other organisation**

All share investments, business acquisitions or joint venture proposals will be considered by the directors and any decision to invest in or divest shares in another company, acquire businesses or enter into a joint venture will be made by the directors, in accordance with the constitution of Techscape and in accordance with the following guidelines:

- Share acquisitions, business acquisitions or investments in Joint Ventures must be, in the opinion of the directors, likely to give returns that will add value to the shareholders' investment in Techscape.
- Without prior shareholder consent in general meeting, share or business acquisitions will only be undertaken in areas directly associated with the current activities of Techscape. No single share or business investment shall exceed \$1,000,000 without prior approval in writing of the shareholders. No single investment in, assets transferred to, or contingent liabilities incurred in respect of Joint Ventures or a series of linked transactions shall exceed \$1,000,000 without prior approval in writing of the shareholders and shall only be undertaken in areas directly associated with the current activities of Techscape.

- All such investments will only be made after a professional valuation has been completed and in those cases where (in the directors' opinion) the size of the operation warrants it, "due diligence" has been completed.

**Activities for which the Board seeks compensation from Local Authorities**

Techscape will provide goods and services, as described in the section entitled "Nature and Scope of Activities", to the shareholding councils as part of its normal business activities. These goods and services will be contracted and charged for on a commercial basis.

Techscape may also enter into any contractual or commercial arrangement with any other territorial or regional authority as part of its normal business activities. Payment for which will be the responsibility of the territorial or local authority concerned.

**Board's estimate of the commercial value of the Shareholders' investment**

The commercial Value of Techscape has been assessed by the directors at not less than \$6 million as at 31 December 2004 having regard to the shareholders' funds as shown in Techscape's accounts and also considering anticipated revenue streams. Subsequent estimates of the commercial value of Techscape shall be made at the discretion of the directors according to the value of shareholders' funds based on historical costs and accounting policies as described in this Statement of Intent, together with any appropriate valuations of Techscape.

# **WAITAKERE PROPERTIES LIMITED**

## **STATEMENT OF INTENT For The Three Years Commencing 1 JULY 2005**

*"To undertake and facilitate property development, property management and provide consultancy services meeting customer needs and creating economic value whilst facilitating strategic City objectives"*

*Prepared in accordance with requirements of the Local Government Act 2002.*

# Waitakere Properties Limited

## 1. Interpretation

In this Statement of Intent unless the context otherwise requires:

- 1.1 **Companies Act:** "Companies Act" means the Companies Act 1993;
- 1.2 **Local Government Act:** "Local Government Act" means the Local Government Act 2002;
- 1.3 **Constitution:** "Constitution" means the constitution of the company in accordance with Part V of the Companies Act 1993;
- 1.4 **Company:** "Company" means Waitakere Properties Limited;
- 1.5 **Council:** "Council" means the Waitakere City Council;
- 1.6 **Statement of Intent:** "Statement of Intent" means such statement as provided for in accordance with the requirements set out in section 64 of the Local Government Act 2002;
- 1.7 **Directors:** "Directors" means those people appointed in accordance with the Constitution of the Company;
- 1.8 **Shareholder:** "Shareholder" means the holder of the share capital issued by the Company;
- 1.9 **Trust Projects:** "Trust Projects" means property development activity undertaken under Declaration of Trust on behalf of the Waitakere City Council as beneficiary;
- 1.10 **Distribution:** "Distribution" means distribution to the Waitakere City Council of net proceeds from Trust Projects;
- 1.11 **Development Projects:** "Development Projects" means property development activity undertaken by Waitakere Properties Limited on own account;
- 1.12 **Project Returns:** "Project Returns" means those financial returns established by the Directors which are applicable to Development projects and consistent with developing Company value in accordance with acceptable Economic Value Added principles;
- 1.13 **Strategic City Objectives:** "Strategic City Objectives" means those objectives determined by the Council that are consistent with the development of a sustainable city.

A113

## 2. Introduction

- 2.1 The Company meets the definition of a Council Controlled Trading Organisation as defined by section 6 of the Local Government Act and accordingly is required to prepare and deliver to the shareholder a completed Statement of Intent on or before 30 June each year.
- 2.2 The Local Government Act also provides the opportunity for the shareholder to comment on a draft of the Statement of Intent. The Board of Directors of the Company will consider these comments, prior to finalisation.
- 2.3 This statement has been prepared in accordance with these requirements.

## 3. Nature and Scope of Activities

- 3.1 The Company is incorporated as a limited liability company by the Waitakere City Council under the Companies Act. Waitakere City Council is the sole shareholder through its investment in Waitakere City Holdings Limited.
- 3.2 The Company performs and facilitates property development, acts as a property manager, and undertakes consultancy services: -
- Providing Waitakere City Council with expertise in the identification, management and realisation of added value opportunities (Trust Projects) available from surplus Council properties in a commercial manner consistent with Council strategic City objectives.
  - Providing property consultancy services to Council and independent property owners.
  - Providing professional property management of assets held by the company for strategic or development reasons.
  - Acquiring property or access to property through joint venture or other means to undertake or facilitate Development Projects consistent with the Company's objectives.
  - Identifying strategic properties suitable for acquisition by Council with the potential to facilitate the furtherance of Council economic environmental and/or social objectives, and committing options or making other arrangements so as to enable Council to consider and determine to proceed with acquisition on a defined basis and while minimising any exposure to risk.
- 3.3 Activities associated with development include:

Ailly

## Waitakere Properties Limited

- Purchase and / or acquisition of land and /or buildings.
  - Management of all processes necessary to complete the development of the land and the sale of developed land or buildings to customers.
  - Entry into any joint venture, partnership, trust or contractual relationship necessary to facilitate the attainment of the objectives.
  - Construction of buildings having regard to a prudent risk approach
- 3.4 The operations of the Company are conducted from a base in the John Henry Centre, in Henderson, Waitakere City.
- 3.5 The affairs of the Company are co-ordinated by the Chief Executive, supported by financial accounting services contracted from Enterprise Waitakere with professional consultancy and technical services engaged as required for individual Trust Projects. A Board of Directors, formed in accordance with the Local Government and Companies Act, governs the operations of the Company.
- 3.6 Development of Trust Projects is undertaken in terms of a Declaration of Trust and in accordance any Letter of Direction which details the specific requirements of the beneficiary in relation to any individual project.

#### **4. Business Objectives**

- 4.1 As a Council-Controlled Trading Organisation, the principal objectives of the Company are stated in section 59 of the Local Government Act 2002, specifically:
- To achieve the objectives of its shareholders, both commercial and non-commercial, as specified in this Statement of Intent.
  - To be a good employer.
  - To exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates.
  - To conduct its affairs in accordance with sound business practice.
- 4.2 The Directors intend the Company to operate as a successful business, recognising that the services are provided in a competitive environment. As a provider of such services it believes it has obligations that apply to a company operating in a competitive environment: -
- To maintain such systems and procedures as necessary for the prudent and successful operation of the Company;
  - To achieve rates of return similar to other comparable development companies, or to identify the cost of activities not undertaken on a strictly commercial basis;

A15

## Waitakere Properties Limited

- To exercise opportunities that add value to the Company and/or further the Company's objectives;
- To build the value of the Waitakere Properties Limited brand; and
- To manage the risks associated with the Company's operations prudently in accordance with 12 below.

4.3 The Company will aim to maximise the value of the Company and therefore the value of the Shareholder's investment, by: -

- Anticipating and meeting the customer's needs;
- Ensuring developments are of consistently high quality;
- Providing customers with value for money;
- Undertaking or encouraging development in a manner consistent strategic City objectives; and
- Pursuing opportunities that advance the strategic City objectives.

4.4 The above represent the general values and objectives of the Company. Specific objectives relating to each property or project may be consistent with any concept plan approved by resolution of the Council or any Letter of Direction specific to that property/project or set out within the Declaration of Trust applicable.

## 5. Governance

### Council Policy

In accordance with section 57 of Local Government Act 2002 local authorities are required to have in place a policy on the appointment of directors that sets out an objective and transparent process for:

- the identification and consideration of the skills, knowledge, and experience required of directors of a council organisation; and
- the appointment of directors to a council organisation; and
- the remuneration of directors of the council organisation.

Local authorities may only appoint a person to be a director of a council organisation only if the person has, in the opinion of the local authority, the skills, knowledge, or experience to:

- guide the organisation, given the nature and scope of its activities; and
- contribute to the achievement of the objectives of the organisation.

A116

# Waitakere Properties Limited

## Role of the Board

The Board aims to ensure that the business of the company is carried out in the best interests of the shareholders and with proper regard to corporate responsibility.

The primary role of the Board of Directors is to:

- Allocate any capital and resources to enable the company to achieve its goals in a manner that best serves the interests of the shareholders as a whole.
- Effectively represent and promote the interests of the shareholders with a view to adding long-term value to the company.
- Direct and supervise the management of the business affairs of the company including:
  - Establishing goals and strategies
  - Establishing policies for strengthening the performance of the company
  - Monitoring financial and non-financial performance
  - Monitoring performance of management
  - Appointing the Chief Executive and any other officers engaged by the Company
  - Deciding whatever steps are necessary to protect the company's financial position
  - Ensuring that financial statements are true and fair and conform to law
  - Ensuring the company adheres to high standards of ethics and corporate behaviour
  - Ensuring the company has appropriate risk management/regulatory compliance policies in place.
  - Satisfy itself that the company is achieving the respective company goals and is adhering to the terms of any Declaration of Trust and related Letter of Direction.
  - Familiarise itself with issues of concern to the shareholders and keep the shareholders informed of a timely basis through quarterly reporting and using the principle of no surprises.
  - Evaluate economic, political, social and legal issues that may impact on the business of the group.

A117

## Waitakere Properties Limited

- In conjunction with Council the Chairperson will evaluate the performance of the Board on an annual basis.
- In conjunction with Council the Chairperson of Waitakere City Holdings Limited will evaluate the performance of the Waitakere Properties Board Chair on an annual basis.

The Chairperson's role is to manage the board effectively, to provide leadership to the Board, to interface with the Chief Executive and to monitor performance with respect to the achievement of Trust Projects and the attainment of the Company's goals and objectives.

### 6. Business Performance Targets and Other Performance Measures

| GOAL   | TO BE MEASURED BY  |
|--|--|
| <p><b><u>Commercial Return</u></b></p> <p>To provide an acceptable return to the Shareholder through sustaining the economic value of the Company and ensuring that each Trust Project is delivered in a manner which optimises the commercial benefit and return to Council consistent with the attainment of economic environmental and social objectives.</p> | <ul style="list-style-type: none"> <li>➤ To achieve budgeted revenue and costs.</li> <li>➤ The Net Profit After Tax (NPAT) target for 2005/06 and the succeeding two years is breakeven.</li> <li>➤ Financial returns for development projects shall be consistent with the assessment framework detailed in 16 below.</li> <li>➤ A capital plan shall be developed consistent with the assessment framework detailed in 16 below</li> </ul>   |
| <p><b><u>Governance under Declaration of Trust</u></b></p> <p>To adhere to the terms of the Declaration of Trust and any related Letter of Direction for each Trust Project undertaken.</p>  | <ul style="list-style-type: none"> <li>➤ The objectives for each project will:-               <ul style="list-style-type: none"> <li>- be agreed with the Council concurrently with the Company accepting responsibility for control and development activities for such landholding under Declaration of Trust or be provided subsequently by approval of a concept plan or development plan prior to any significant construction expenditure being incurred, consistent with the Declaration of Trust.</li> </ul> </li> <li>➤ Adherence to the terms and conditions of any Letter of Direction</li> </ul> |

A118

| GOAL   | TO BE MEASURED BY   |
|--|---|
|  | <p>which may be given by Council from time to time in relation to any landholding, including in relation to commercial or environmental concerns, strategic outcomes and project financial distributions.</p> <ul style="list-style-type: none"> <li>➤ Report to the Council progress in relation to each landholding held under Declaration of Trust simultaneously with the statutory requirements to report on operations.</li> </ul>  |
| <p><b>Governance</b><br/>To meet all statutory, regulatory and shareholder requirements as required by the Local Government Act 2002, the Companies Act 1993 and any other applicable legislation.</p> | <ul style="list-style-type: none"> <li>➤ Provide a draft Statement of Intent to the shareholder by 1 March each year</li> <li>➤ Provide a final Statement of Corporate Intent to the Shareholder by 30 June each year.</li> <li>➤ To hold regular meetings of the Board of Directors.</li> <li>➤ Provide audited financial statements and an operations report for the Company to the Shareholder within three months of the completion of the financial year as required by section 67 the Local Government Act 2002.</li> <li>➤ Provide unaudited financial statements and operations report of the Company to the Shareholder within two months of the completion of the first half of the financial year as required by section 66 the Local Government Act 2002.</li> <li>➤ Provide a quarterly report to the shareholder on financial and non-financial performance including with respect to Trust Projects, contracts and transactions of significance, and strategic initiatives.</li> <li>➤ Provide such other information as may reasonably be required by the Shareholder or the Council, subject to</li> </ul> |

A119

Waitakere Properties Limited

| GOAL | TO BE MEASURED BY   |
|------|---|
|      | any obligation of confidentiality which may be appropriate. |

A120

## 7. Dividend and Distribution Policy

The Company's policy regarding dividends and other distributions will be determined from year to year by the Directors in accordance with operational results, financial prospects, and the circumstances prevailing, with the objectives of ensuring that: -

- The amount of the dividend or other distribution does not limit the Company's ability to fund future requirements (to both maintain and expand current operations in line with the Company's objectives).

and with the proviso's that:

- The Directors are satisfied that the requirements of Sect.4 of the Companies Act (the "solvency test") have been satisfied;
- The amount of any dividend does not exceed the amount of the profit after tax in the year to which the distribution relates; and
- That total liabilities do not exceed 50% of total assets.

## 8. Information to be Provided to Shareholders

Although the Local Government Act 2002 only requires the company to report half yearly and annually to its shareholder, Council requires the company to report on a quarterly basis through its Finance & Operational Performance Committee.

The Company will provide information which meets the requirements of the Companies Act 1993, the Local Government Act 2002, and the reporting requirements prescribed from time to time by the Institute of Chartered Accountants of New Zealand, in order to enable the shareholders to make an informed assessment of the company's performance.

The following information will be made available:

- (a) An annual Statement of Intent in accordance with the Local Government Act 2002.
- (b) Quarterly reporting to Council, including the half yearly report shall be in accordance with Sect.66 of the Local Government Act and shall include any other information that the Directors deem appropriate.
- (c) An annual report in accordance with Secs 67, 68 and 69 of the Local Government Act 2002 and the reporting requirements prescribed from time to time by the Institute of Chartered Accountants of New Zealand, and any other information that the Directors deem appropriate.
- (d) Any other information required by Council, upon receipt of a written request from Council through its Chief Executive. The Local Government Act 2002 does not require the disclosure of sensitive information that may

be properly withheld if a request for that information were made under the Local Government Official Information and Meetings Act 1987.

- (e) Prior written proposals as a basis for discussion and negotiation for:-
- Any expansion of the Company's activities into new areas of business.
  - Any activity or arrangement related to property, subject to a specific Declaration of Trust, where the activity was not expressly approved by the Declaration of Trust or any Letter of Direction relating to that property, or is not consistent with any approved Concept Plan.
  - Any activity or arrangement involving the commitment of significant capital or Council resources (where "significant" equates to 50% of the value of Shareholder's Equity or for a property vested under a Declaration of Trust, 50% of the value of the developed land).

## **9. Statement of Accounting Policies**

The Company will comply with the Financial Reporting Standards and Statements of Standard Accounting Practice of the Institute of Chartered Accountants of New Zealand, and Generally Accepted Accounting Principles to the extent that this is practicable without disclosing commercially sensitive information that, in the view of the Directors, would be of value to third parties.

The Company will be subject to taxation, and accordingly normal commercial taxation policies will apply, including where appropriate, deferred taxation provisions.

## **10. Other Matters Required By The Local Government Act**

### **Ratio of Shareholder's Funds to Total Assets**

Shareholder's Funds are defined as the sum of the amount of share capital on issue, retained earnings/accumulated losses, revenue and capital reserves. Total Assets are defined as the sum of the net book value of current assets, investments, fixed assets, and intangible assets as disclosed in the Company's Statement of Financial Position, prepared in accordance with the accounting policies adopted by the Directors.

The target ratio of Shareholder's Funds to Total Assets shall not be less than 50% for the period covered by this Statement of Intent.

### **Estimate of the Commercial Value of the Company**

The value of Waitakere Properties Limited has been defined as the value of the issued share capital at the 30 June 2005.

### **Procedure for the Acquisition of an Interest in Another Organisation**

In order for the Company to meet its objectives, it may be necessary to initiate transactions relating to shares in subsidiary companies, joint ventures or existing companies. Any decision to initiate such transactions will be subject to approval by the Directors of the Company and to the extent that such transactions result in either a change in the essential nature of the business of the Company or involves significant resources or capital in excess of \$1,000,000, the approval of the Shareholder.

#### **11. Capital Structure**

The Company will operate with a debt to total assets ratio that is less than 50%, except where additional debt: -

- Is secured by charge against the property assets vested in the Company under Declaration of Trust; and
- The charging of such property assets is specifically approved under the particular Declaration of Trust and/or any related Letter of Direction; and
- The debt so charged in any case does not exceed 50% of the market value of the land and improvements vested under the particular Declaration of Trust.

Within these restrictions the Company may arrange funding from the financial sector as required subject to the prudent management of market rate, currency and credit risk.

#### **12. Risk Analysis and Management Policy**

The framework for managing and reporting on risk will follow the current standard AS/NZS 4360: 1999. Each year the Board will ensure there is a formal evaluation of the Company's exposure to risk and satisfy itself that appropriate strategies are in place to manage or eliminate risk.

In assessing and managing risks it is recognised that the shareholder, as a public entity, is risk averse and consequently the Board will manage both the Company and Trust projects prudently to minimise risk and the potential for losses, subject to the requirement to attain strategic outcomes and objectives as agreed from time to time with Council. The shareholder recognises that the intent to facilitate particular strategic development goals and outcomes of significance to the City may justify in any instance the assumption by the Company of greater risk and an inherent potential for losses with respect to a given project than might otherwise be desirable.

The levels of return offered by the property industry reflect the generally high degree of risk associated with: -

## Waitakere Properties Limited

- Extended development cycles.
- Relatively high investments associated with low volume turnovers.
- Exposure to external factors such as the legislative and regulatory framework, business cycles (interest rates), immigration etc.
- The residential and business sectors are exposed to consumer preferences not associated with quantifiable benefits / costs.

The management and mitigation / control of risk will be undertaken through: -

- Detailed financial feasibilities, including sensitivity analyses
- Product selection based on comprehensive research and informed opinion
- Knowledge of business cycles
- Cash flow management
- Staging of construction and provision of infrastructure
- Debt management in accordance with stated ratios
- Product diversification (type, price and location) where possible and appropriate
- Risk sharing where appropriate (joint ventures)
- Pre-leasing or pre-commitments by prospective tenants, purchasers and third parties
- Employment of expert project management skills
- Establishment of monitoring procedures

The above are the most critical aspects of risk management. Additional business risks in the form of business continuity, statutory compliance, financial management and control, professional indemnity, contractual protection, fire etc will be managed in the normal manner.

### **13. Trust Projects Funding & Accounting Structure**

Projects undertaken in terms of the Declaration of Trust are funded and managed as follows: -

- A strict accounting policy shall be maintained to ensure each project is separately accounted.

- Projects shall be accounted and funded through accounts that are common with those of the Council but are subject to the direct control of signatories authorised by the Company.
- When projects do not achieve established criteria the details of shortcomings and the reasons for undertaking such projects shall be detailed to the Shareholder and Council as Trust beneficiary through the quarterly reporting process.
- Financial Distributions to the Council from Trust Projects shall only be made when such projects provide sustainable positive cash flow.

#### **14 Development Projects – Strategic Outcomes**

Development Projects shall satisfy the following strategic criteria: -

- Assist urban consolidation
- Contribute to town centre revitalisation and development
- Provide support to public transport initiatives and viability
- Be employment generating
- Facilitate town centre growth
- Provide key infrastructure
- Offer opportunities to leverage private sector investment
- Respond to the environment in an appropriate manner consistent with Eco-City objectives.

#### **15 Development Projects – Assessment Criteria**

Development projects shall be selected in accordance with the established risk management policy and subject to the following further criteria: -

##### Financial Criteria

Any development project contemplated by the Company which does not satisfy the requirements of Project Returns may be referred to the Shareholder for consideration on the following grounds: -

- Achieves delivery on strategic City objectives
- Achieves delivery of significant public good

A125

## Waitakere Properties Limited

- Achieves delivery as a pilot project which offers leadership to the private sector or lowers risks and uncertainties to the private sector in delivering strategic outcomes.

### Geographic Criteria

All development projects funded from share capital shall be located in Waitakere City

## 16 Facilitating Strategic City Objectives

The shareholder is desirous of extending the activities of the Company in facilitating strategic City objectives. To achieve this the Company will seek to develop, in liaison with the Council, an **assessment framework** and establish a formal working **relationship framework** with Council and Council officers consistent with achieving the objectives.

These frameworks will encompass strategic property acquisitions and development, the proactive identification of opportunities for the Company and Council, and may actively seek to provide examples of innovative or leading edge development within approved development outcomes.

The **Assessment Framework** may include:-

- The social, environmental and economic issues consistent with the objectives.
- Criteria for assessing and measuring Company and development project performance towards the objectives.
- Financial criteria relevant to assessing Company and development project performance.
- Governance requirements specific to Company delivery on these objectives, relating to the representation, skill set and particular performance parameters associated with the objectives.
- Sustainable building criteria
- A financial structure which provides for the establishment and growth of capital which would be utilised in respect of projects which fit the assessment criteria

### **Relationship Framework**

The role of the Company as an implementation tool to give effect to strategic City objectives requires the establishment of best practice in public private partnering which: -

A126

## Waitakere Properties Limited

- Enables the Company to provide an advisory role in the policy and planning phases undertaken by Council thus maximising the ability to implement the objectives.
- Enables Council staff to interact directly with the Company to develop staff expertise in implementation and commercial business practice thus promoting practical policy formation.
- Establishes a commercial business relationship that secures best value from both entities and enables close cooperation whilst recognising the particular roles and functions of each.
- Provides a formal reporting relationship with Council to ensure that Councillors have an opportunity to interact with the Company and provide political direction.
- Enables the Company to act in concert with the provision by Enterprise Waitakere of a service as an economic development agency, facilitating and where appropriate undertaking development supportive of economic and strategic objectives common to Enterprise Waitakere and Council.

### **17 Activities involving Public Authorities**

The Company may provide services, as described in the section entitled "Nature and Scope of Activities", to the Council as part of its normal business activities. These services will generally be contracted and charged for on a commercial basis but some advice may be provided without specific charge in accordance with the nature of the relationship.

Subject to the assessment criteria contained in this Statement of Intent the Company may also enter into any contractual or commercial arrangement with any other territorial or regional authority as part of its normal business activities, payment for which will be the responsibility of the territorial or local authority concerned.

A127

**WAITAKERE ENTERPRISE TRUST BOARD  
(TRADING AS ENTERPRISE WAITAKERE)**

**STATEMENT OF INTENT  
2005/06**



---

**STATEMENT OF INTENT  
FOR THE THREE YEARS COMMENCING  
1 JULY 2005**

*This document is The Waitakere Enterprise Trust Board (trading as Enterprise Waitakere)  
Statement of Intent for  
the purposes of the Local Government Act 2002.*

**Chair's Comment**

The Board of Enterprise Waitakere is pleased to present its updated Statement of Intent for the three year period commencing 1 July 2005. This is the first review of the original document.

The organisation has operated successfully for 10 years helping the economy of Waitakere perform for the benefit of residents and ratepayers in Waitakere City and laying the foundations for future growth.

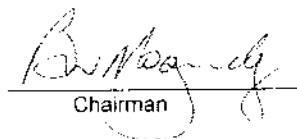
Economic trends over the last 10 years have generally been positive in all areas when measured by average annual growth. Waitakere's performance has tended to trail the Auckland Region's trend but has been better than the New Zealand average. In fact in the last 12 months its overall performance amongst the 74 Territorial Authorities NZ wide was 13<sup>th</sup> which placed it 3<sup>rd</sup> within the region behind Rodney District and North Shore City.

Deeper analysis however points to this performance being largely people driven with the relative growth patterns being primarily the result of significant growth in the service sector, construction, retail and distribution. Manufacturing and technology sector have not performed so well and there are some issues of structure and constraints which mean that without fundamental changes in the City's use of land, Waitakere will be confined to being a dormitory suburb of the Auckland Region.

Currently 60% of the City's workforce leaves Waitakere each day adding to the region's transport and environmental challenges. Only 8% of the region's jobs are based in Waitakere, despite 14% of the population living here.

As a result the Board of Enterprise Waitakere has set itself some robust objectives around introducing more new, good quality businesses to the City with a focus on the creative and technology driven manufacturing sectors. It also highlights the need for ongoing advocacy to change Regional Planning paradigms in order to respond more effectively to growth opportunities locally.

This Statement of Intent builds on the framework established by the Waitakere City Economic Development Strategy and the Board look forward to working closely with Waitakere City Council and its staff to deliver on these initiatives.

  
Chairman

Bryan Mogridge

23<sup>rd</sup> February 2005

A129

---

## Introduction

Enterprise Waitakere was established by Waitakere City Council to promote, foster and develop a sustainable, dynamic and innovative economy in Waitakere City.

The Trust meets the definition of a Council Controlled Organisation as defined by section 6 of the Local Government Act and accordingly is required to prepare and deliver to the shareholder a completed statement of intent on or before 30 June each year.

- The Local Government Act also provides the opportunity for the shareholder to comment on a draft of the statement of intent. The trustees will consider these comments, prior to finalisation.
- This statement has been prepared in accordance with these requirements.

This Statement of Intent has been developed between Enterprise Waitakere and its shareholder to:

- State publicly the activities and intentions of Enterprise Waitakere for the year to 30 June 2005 and the following two financial years including the objectives to which these activities will contribute.
- Provide an opportunity for the Shareholder to influence the direction of Enterprise Waitakere.
- Provide a basis for the accountability of the directors to the shareholder for the performance of Enterprise Waitakere.

The content of the Statement is specified in Schedule 8 of the Local Government Act 2002.

The Statement of Intent is reviewed annually with the shareholder, although each Statement spans a three-year horizon.

## Objectives

1. Promote Waitakere as an attractive business location.
2. Partner Council and Waitakere Properties Ltd to realise the economic opportunities presented by major projects.
3. Support the establishment and growth of businesses focusing in particular on high added value industries.
4. Focus on the skill needs of employers and initiate actions to help meet those needs.
5. Advocate the needs of the Waitakere economy.

## Nature and Scope of Activities

Enterprise Waitakere is focused on achieving positive transitions for business, employers, employees and Waitakere's communities. It will do this by facilitation, partnering, advocating and delivering on sustainable economic initiatives within its community and the wider Auckland Region in order to drive sustainable economic growth.

The Trust is a Council controlled organisation subject to the provisions of the Charitable Trusts Act 1957 and the Local Government Act 2002. The Trust does not trade with the intention or purpose of making a profit.

---

## **Governance**

### **Council Policy**

In accordance with section 57 of Local Government Act 2002 local authorities are required to have in place a policy on the appointment of directors that sets out an objective and transparent process for:

- the identification and consideration of the skills, knowledge, and experience required of directors of a council organisation; and
- the appointment of directors to a council organisation; and
- the remuneration of directors of the council organisation.

Local authorities may appoint a person to be a director of a council organisation only if the person has, in the opinion of the local authority, the skills, knowledge, or experience to:

- guide the organisation, given the nature and scope of its activities; and
- contribute to the achievement of the objectives of the organisation.

### **Role of the Board**

The Board aims to ensure that the business of the trust is carried out in the best interests of the shareholder and with proper regard to corporate responsibility.

The primary role of the board of directors is to:

- 1) Allocate capital and resources to enable the trust to achieve its goals in a manner that best serves the interests of the shareholder as a whole.
- 2) Effectively represent and promote the interests of the shareholder with a view to adding long-term value.
- 3) Direct and supervise the management of the business affairs of the trust including:
  - Establishing goals and strategies
  - Establishing policies for strengthening the performance of the trust
  - Monitoring performance of management
  - Appointing the CEO
  - Deciding whatever steps are necessary to protect the trust's financial position
  - Ensuring that financial statements are true and fair and conform to law
  - Ensuring the trust adheres to high standards of ethics and corporate behaviour
  - Ensuring the trust has appropriate risk management/regulatory compliance policies in place.
- 4) Satisfy itself that the trust is achieving the trust goals.
- 5) Familiarise itself with issues of concern to the shareholder and keep the shareholder informed on a timely basis through quarterly reporting and using the principle of no surprises.
- 6) Evaluate economic, political, social and legal issues that may impact on the business.

The Chairperson's role is to manage the board effectively, to provide leadership to the Board and to interface with the Chief Executive Officer. The Chairperson's role includes completing an evaluation of the individual Directors and collective Board performance on an annual basis.

---

## **RISK MANAGEMENT**

The framework for managing and reporting on risk will follow the current standard AS/NZS 4360: 1999. Each year the Board will ensure there is a formal evaluation of the trust's exposure to risk and satisfy itself that appropriate strategies are in place to manage or eliminate risk.

In assessing and managing risks it is recognised that the Board is risk adverse and consequently the Board will manage the Trust to minimise risk and the potential for losses.

The management mitigation/ control of risk will be undertaken through:-

1. Detailed financial feasibility studies
2. Service selection based in comprehensive research and informed opinion.
3. Knowledge of business and political cycles
4. Cash flow management
5. Debt management where appropriate
6. Risk sharing where appropriate
7. Employment of expert management advice
8. Appointment of skilled and experience Trustees
9. Establishment of a risk management policy and monitoring procedures

The above are the most critical aspects of risk management. Additional business risks in the form of Trust continuity, Statutory Compliance, Financial management and control, professional indemnity etc will be managed in the normal manner and in accordance the risk management policy.

| Activity                           | Strategic Objectives *   | Indicators sought by 30 June 2008  | Targets to 30 June 2006  |
|------------------------------------|--|--|--|
| City Image                         | Promote Waitakere as an attractive business location   | A strong positive identity underpins a proactive investment attraction programme   | An agreed value proposition underpinning investment attraction initiatives in Henderson & Hobsonville<br>Tourism destination marketing programme including brochure, website, 0800 number and advertising is completed.  |
| Investment                         | Partner Council and WPL to realise the economic opportunities presented by major projects.         | At least \$100 million of new introduction facilitated into the City with a bias towards the key locations of Henderson, New Lynn and Hobsonville.   | \$30 million new investment facilitated into the City with a bias towards the key locations of Henderson and Hobsonville.  |
| Business Services & sector support | Support the establishment and growth of SMEs focusing in particular on high added value industries | The number of registered business entities grow by 8.5%.   | Support to 2000 businesses with > 85% satisfaction from contact clients.<br>Growth in key sectors realised which exceeds regional and national average.<br>The number of business entities grows by at least 4%.   |
| Employment & Skills                | Focus on the skill needs of employers and initiate actions to help meet those needs.               | The number of people leaving the City for employment reduced by 10% of total number currently working outside of the City.   | Implement Waitakere Employment and Skills project by ensuring the unemployed directly connected to the labour market and all senior secondary school students informed of local employment opportunities.<br>TrainSmart Education Centre occupancy in Youth Training and ESOL – English for Employment exceeds 80% with positive outcome exceeding 75%.  |
| Responsiveness & Advocacy          | Advocate the needs of the Waitakere economy.   | The government agreeing Whenuapai should be established as a Civil/mixed use airport.<br>Hobsonville Marine Precinct underway.<br>An MUL shift provides adequate greenfield opportunities for commercial and industrial development. | To continue to work with Council to proactively lobby Government to agreeing to Whenuapai airbase being converted to a Civil/mixed use airport.<br>MRI funding attracted to Hobsonville Marine Precinct<br>Ensuring ARC's business location strategy adequately acknowledges Waitakere's land use needs.<br>Council's bi-annual business survey measure > 70% satisfaction with EW's performance |

\* Footnote: The strategic objectives align with the Council objectives expressed in the draft Economic Development Strategy.

## **Information to be Provided to the Council**

The Trust will provide information which meets the requirements of the Charitable Trusts Act 1957, the Local Government Act 2002, and the Financial Reporting Act 1993 in order to enable the shareholders to make an informed assessment of the trust's performance. The following information will be made available to the shareholder:

- An annual Statement of Intent in accordance with S.64 of the Local Government Act 2002 and any other information that the Directors deem appropriate.
- A first and third quarter report of financial and non-financial information as deemed appropriate by the Directors.
- A half yearly report in accordance with S.66 of the Local Government Act 2002 and any other information that the Directors deem appropriate.
- An annual report in accordance with S 67, 68 and 69 of the Local Government Act 2002 and any other information that the Directors deem appropriate.
- Any other information required by the shareholders, upon receipt of a joint written request from the shareholder through their respective Chief Executives. The Local Government Act 2002 does not require the disclosure of sensitive information that may be properly withheld if a request for that information were made under the Local Government Official Information and Meetings Act 1987.

## **Other Matters Required by the Local Government Act**

The following information is required to be disclosed in each Statement of Intent.

### **Ratio of Shareholders' Funds to Total Assets**

As a Charitable Trust this is not applicable.

### **Procedure for the Acquisition of an interest in another organisation**

In order for the Trust to meet its objectives, it may be in its interest to initiate transactions which bring about a memorandum of understanding, partnership or joint venture with existing organisations. Any decision to initiate such transactions will be subject to approval by the Board of Trustees and the procession of the Board's Deed of Trust.

Shareholder approval is required where commitments exceed \$500,000.

### **Accounting Policies**

The Trust will comply with the Financial Reporting standards and statements of standard accounting practice of the Institute of Chartered Accountants of New Zealand, and generally accepted accounting principals.

### **Activities for Which the Board Seeks Compensation from Local Authorities**

Enterprise Waitakere will provide goods and services, as described in the section entitled "Nature and Scope of Activities", to the shareholding Council as part of its normal business activities. These goods and services will be contracted and charged for on a commercial basis.

Enterprise Waitakere may also enter into any contractual or commercial arrangement with any other territorial or regional authority as part of its normal business activities. Payment for which will be the responsibility of the territorial or local authority concerned.

**MINUTES OF A MEETING OF THE TENDERS SUBCOMMITTEE HELD IN THE  
CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,  
ON FRIDAY, 4 FEBRUARY 2005, COMMENCING AT 9.00 AM**

---

**PRESENT:** Councillors JM Clews, QSO, JP (Chairperson)  
Director: City Services  
Director: Corporate & Civic Services  
Director: Quality Assurance  
Maori Issues Manager

**ALSO  
PRESENT:** Councillor WW Flaunty, QSM, JP

**IN ATTENDANCE:** Group Manager: Asset Management  
Waikumete Cemetery & Crematorium Manager  
Engineer Project Services  
Project Co-ordinator Environmental (Sustainable Engineering)  
Committee Administrator: S Cunningham

**OBSERVER:** Mr Brian Smith, Liquid Waste Disposal Limited

**1 APOLOGIES**

9/2005

MOVED by W Paki, seconded R McLeod:

That apologies from Cr Clow, HV O'Rourke, A Magee and A Pollock for absence be received and sustained.

**CARRIED**

**2 URGENT BUSINESS**

There was no Urgent Business.

**3 CONFIRMATION OF MINUTES**

10/2005

MOVED by Cr Clews, seconded J Dragicevich:

That the minutes of the meeting of the Tenders Subcommittee held on Friday, 17 December 2004, as circulated, be taken as read and now be confirmed.

**CARRIED**

**4 CONTRACT NO. PK03675A - WAIKUMETE CEMETERY ANZAC GRAVES ROAD UPGRADING**

11/2005

MOVED by R McLeod, seconded R Rudd:

1. That the Contract No. PK03675A - Waikumete Cemetery ANZAC Graves Road Upgrading report be received.
2. That the tender from Auckland Civil Limited for Contract: No. PK03675A - Waikumete Cemetery Anzac Graves Road Upgrading in the sum of \$303,343.20 plus \$37,917.90 GST, totalling \$341,261.10 be accepted.
3. That authority to enter into Contract No. PK03675A - Waikumete Cemetery Anzac Graves Road Upgrading on behalf of Council be delegated to the Group Manager: Asset Management.

**CARRIED**

**5 CONTRACT NO. EW04 140C - PROJECT TWIN STREAMS SUPPLY OF ECOSOURCED PLANTS FOR THE 2005 PLANTING SEASON**

12/2005

MOVED by J Dragicevich, seconded R McLeod:

1. That the Contract No. EW04 140C - Project Twin Streams Supply of Ecosourced Plants for the 2005 Planting Season report be received.
2. That the tender from Techscape Limited for Contract No. EW04 140C - Project Twin Streams Supply of Ecosourced Plants for the 2005 Planting Season in the sum of \$97,420.00 plus \$12,177.50 GST, totalling \$109,597.50 be accepted.
3. That the commitment to the 2005/2006 financial year for Contract No. EW04 140C - Project Twin Streams Supply of Ecosourced Plants for the 2005 Planting Season totalling \$48,710.00 plus GST be approved.
4. That authority to enter into Contract No. EW04 140C - Project Twin Streams Supply of Ecosourced Plants for the 2005 Planting Season on behalf of Council be delegated to the Group Manager: Asset Management.

**CARRIED**

**6 CONTRACT NO. EW04 140D - PROJECT TWIN STREAMS SUPPLY OF ECOSOURCED PLANTS FOR THE 2005 PLANTING SEASON**

13/2005

MOVED by J Dragicevich, seconded R Rudd:

1. That Contract No. EW04 140D - Project Twin Streams Supply of Ecosourced Plants for the 2005 Planting Season report be received.
2. That the tender from Oratia Native Plant Nursery Limited for Contract No. EW04 140D - Project Twin Streams Supply of Ecosourced Plants for the 2005 Planting Season in the sum of \$152,508.50 plus \$19,063,56 GST, totalling \$171,572.06 be accepted.

3. That the commitment to the 2005/2006 financial year for Contract No. EW04 140D - Project Twin Streams Supply of Ecosourced Plants for the 2005 Planting Season totalling \$76,254.25 plus GST be approved.
4. That authority to enter into Contract EW04 140D - Project Twin Streams Supply of Ecosourced Plants for the 2005 Planting Season on behalf of Council be delegated to the Group Manager: Asset Management.

**CARRIED**

**7 CONTRACT NO. EW 04 135C - ON SITE WASTEWATER MANAGEMENT SYSTEMS - INSPECTION AND CLEANING**

14/2005

MOVED by J Dragicevich, seconded R McLeod:

1. That the Contract No. EW 04 135C - On Site Wastewater Management Systems - Inspection and Cleaning report be received.
2. That the tender from Liquid Waste Disposal Limited for Contract No. EW 04 135C - On Site Wastewater Management Systems - Inspection and Cleaning in the sum of \$1,789,640.65 plus \$223,705.10 GST, totalling \$2,013,345.75 be accepted.
3. That the commitment to the 2005/2006 financial year for Contract No. EW 04 135C - On Site Wastewater Management Systems - Inspection and Cleaning totalling \$703,925.30 plus GST be approved.
4. That the commitment to the 2006/2007 financial year for Contract No. EW 04 135C - On Site Wastewater Management Systems - Inspection and Cleaning totalling \$703,925.30 plus GST be approved.
5. That the commitment to the 2007/2008 financial year for Contract No. EW 04 135C - On Site Wastewater Management Systems - Inspection and Cleaning totalling \$351,962.70 plus GST be approved.
6. That authority to enter into Contract No. EW 04 135C - On Site Wastewater Management Systems - Inspection and Cleaning on behalf of Council be delegated to the Group Manager: Asset Management.

**CARRIED**

9.08 am

The Chairperson thanked members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AT AN ORDINARY MEETING OF THE  
TENDERS SUBCOMMITTEE HELD ON

**DATE:**.....

A137

**CHAIRPERSON:**.....

**MINUTES OF A MEETING OF THE TENDERS SUBCOMMITTEE HELD  
IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,  
WAITAKERE CITY, ON FRIDAY, 18 FEBRUARY 2005,  
COMMENCING AT 9.00 AM**

---

**PRESENT:** Councillors JM Clews, QSO, JP (Chairperson)  
Director: Corporate & Civic Services  
Director: Quality Assurance  
Director: Finance  
Maori Issues Manager

**IN ATTENDANCE:** Group Manager: Asset Management  
Manager: Parks & Open Spaces  
Waikumete Cemetery & Crematorium Manager  
Asset Manager: Environmental  
Principal Transport Engineer Construction  
Transport Engineer: V Bui  
Reserves Management Planner  
Committee Administrator: S Cunningham

**1 APOLOGIES**

154/2005

MOVED by W Paki, seconded R Rudd:

That apologies from Cr Clow, H O'Rourke, A Magee and J Dragicevich for absence be received and sustained.

**CARRIED**

**2 URGENT BUSINESS**

There was no Urgent Business.

**3 CONFIRMATION OF MINUTES**

155/2005

MOVED by R McLeod, seconded R Rudd:

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 4 February 2005, as circulated, be taken as read and now be confirmed.

**CARRIED**

**4 CONTRACT NO. CM02005G - SUPPLY, INSTALL AND COMMISSION CREMATOR AT WAIKUMETE CEMETERY AND CREMATORIUM**

156/2005

MOVED by R Rudd, seconded A Pollock:

1. That Contract No. CM02005G - Supply, Install and Commission Cremator at Waikumete Cemetery and Crematorium report be received.
2. That the tender from Australian Engineering Solutions Pty Limited for Contract No. CM02005G - Supply, Install and Commission Cremator at Waikumete Cemetery and Crematorium in the sum of \$483,690 plus \$60,461.25 GST, totalling \$544,151.25 be accepted.
3. That authority to enter into Contract No. CM02005G - Supply, Install and Commission Cremator at Waikumete and Crematorium on behalf of Council be delegated to the Group Manager: Asset Management.

**CARRIED**

**5 CONTRACT NO. TA04512B - LUANDA DRIVE / WAITEMATA DRIVE ROUNDABOUT**

157/2005

MOVED by R Rudd, seconded R McLeod:

1. That Contract No. TA04512B - Luanda Drive/Waiitemata Drive Roundabout report be received.
2. That the tender from HEB Contractors Limited for Contract No. TA04512B - Luanda Drive/Waiitemata Drive Roundabout in the sum of \$220,154.13 plus \$27,519.27 GST, totalling \$247,673.40 be accepted.
3. That authority to enter into Contract No. TA04512B - Luanda Drive/Waiitemata Drive Roundabout on behalf of Council be delegated to the Group Manager: Asset Management.

**CARRIED**

**6 CONTRACT NO. PK 05001B - ROADSIDE VEGETATION MAINTENANCE**

158/2005

MOVED by A Pollock, seconded R Rudd:

1. That Contract No. PK 05001B - Roadside Vegetation Maintenance report be received.
2. That the tender from Aspin Weed Control Limited for Contract No. PK 05001B Roadside Vegetation Maintenance in the sum of \$417,079.21 plus \$52,134.90 GST, totalling \$469,214.11 be accepted.
3. That the commitment to the 2005/2006 financial year for Contract No. PK 05001B Roadside Vegetation Maintenance in the sum of \$221,239.60 plus \$27,654.95 GST, totalling \$248,894.55 be accepted.
4. That the commitment to the 2006/2007 financial year for Contract No. PK 05001B Roadside Vegetation Maintenance in the sum of \$215,839.60 plus \$26,979.95 GST, totalling \$242,819.55 be accepted.

A139

5. That authority to extend Contract No. PK 05001B Roadside Vegetation Maintenance for a further two (2) plus two (2) years be delegated to the Group Manager: Asset Management, subject to satisfactory price and performance.
6. That authority to enter into Contract No. PK 05001B Roadside Vegetation Maintenance on behalf of Council be delegated to the Group Manager: Asset Management.

**CARRIED**

**7 CONTRACT NO. PK04607B - MANAWA WETLAND RESERVE EXTENSION**

159/2005

MOVED by A Pollock, seconded R Rudd:

1. That Contract No. PK04607B - Manawa Wetland Reserve Extension report be received.
2. That the tender from Excell Corporation Limited for Contract No. PK04607B - Manawa Wetland Reserve Extension in the sum of \$271,077.42 Plus \$33,884.67 GST, totalling \$304,962.09 be accepted.
3. That authority to enter into Contract No. PK04607B - Manawa Wetland Reserve Extension on behalf of Council be delegated to the Director: City Services.

**CARRIED**

9.15 am

The Chairperson thanked members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AT AN ORDINARY MEETING OF THE  
TENDERS SUBCOMMITTEE HELD ON

**DATE:**.....

**CHAIRPERSON:**.....

A14C