

meet the majority of the gym hot water requirements for showers in 2005 and Waitakere Central is intended to have a solar hotwater system backed up by electricity to assist with hot water requirements in 2006.

9. Zero Waste

Zero Waste platform, as seen in Table 9 analyses four key Council outcomes. The first measure is monitored on a bi-annual basis and looks at resident participation in clean-ups around the City. Run by the Keep Waitakere Beautiful Trust, there have been 193 clean ups undertaken as part of the Operation Spring Clean programme and the Adopt a Spot programme. The Operation Spring Clean was held in October 2005 with 45 schools (made up of 8,250 participants) taking part. All together 12 bins and 4,210 rubbish bags were used to collect 18 tonnes of rubbish for disposal.

Table 9: Performance Measures for Zero Waste

Council Outcome	Performance Measure (Level of Service)	2005/2006 Annual Target	2005/2006 First Quarter Results	2005/2006 Second Quarter Results	2005/2006 Third Quarter Results	2005/2006 Year to Date Results
Residents are satisfied with Council's waste services and take an active part in clean-ups.	Number of clean-ups by the community increases.	175 or more	N/A	193 clean ups	N/A	193 clean ups
All waste is turned to beneficial use.	Waste entering the Transfer Station (from within and outside the City) is diverted from a landfill through reuse, recycling, recovery or composting initiatives. Includes waste reported as being diverted.	23% or more	22%	24%	25%	23.6%
All waste is turned to beneficial use.	A greater proportion of city green waste and city collected waste delivered to the Transfer Station is recycled or composted.	50% or more	42%	47%	44%	44.3%
Domestic & inorganic waste, litter, and dumping in Waitakere City is reduced.	Reduce the volume per resident of domestic waste, litter, and dumping generated from Waitakere City and deposited at the Transfer Station (including inorganic waste but excluding kerbside recycling).	145kg per person or less	33.4kg	34.6kg	48.6kg	116.6kg
	Reduce City Council collected domestic waste per person deposited at the Transfer Station.	115kg per person or less	31.1kg	32.9kg	32.5kg	96.5kg
	Reduce collected City inorganic waste per person deposited at the Transfer Station.	30kg per person or less	N/A	N/A	14.4kg	14.4kg

AS7

Council Outcome	Performance Measure (Level of Service)	2005/2006 Annual Target	2005/2006 First Quarter Results	2005/2006 Second Quarter Results	2005/2006 Third Quarter Results	2005/2006 Year to Date Results
<i>Domestic & inorganic waste, litter, and dumping in Waitakere City is reduced.</i>	Number of schools, businesses & community groups working with Council in litter abatement practices.	200 groups or more	N/A	109 (Half yearly figure)	N/A	109 groups
<i>There are no adverse environmental effects resulting from landfill or former waste sites.</i>	Compliance with resource consent conditions and other legislative requirements for ensuring safe and environmentally acceptable former waste sites.	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance
	All closed landfill sites that have been identified are being managed to avoid, remedy or mitigate adverse environmental effects.	90% or more managed	100%	100%	100%	100%
	All residual waste goes to approved landfill site(s).	100%	100%	100%	100%	100%

The second outcome is to turn waste into beneficial use. Diverted waste entering the transfer station recorded higher than the target during the second quarter due to seasonal variation. The scrap metal tonnage continued to be lower than that received in previous years as this waste stream continues to be lost to private companies who are offering financial incentives for it. Recyclable waste in general, saw a significant improvement in the second quarter (42% in the first quarter compared to 47% in the second quarter) and is in fact 2% better than the same quarter last year at 45%. This is despite less scrap metal being collected and a low volume of green waste entering the Refuse Transfer Station. Improvement was expected in the third quarter with the recommencement of the inorganic collection, however the figure in fact fell by 3%, reaching a quarterly total of 44%.

AGS

Thirdly is the domestic and inorganic waste. Second quarter figures saw the volume of waste per resident continue to trend upwards. The target appears to be overly optimistic given the circumstances explained in the first quarter report - the withdrawal of the private contractor and no inorganic collection during the first half of the year. The figures for residential waste (includes litter and illegal dumping) can therefore be seen as being slightly skewed.

The volume of waste per resident has increased significantly by 40.5% during the third quarter (going from 34.6kg in the second quarter to 48.6kg in the third quarter). With the annual target of 145kg per person or less, the year to date figure of 116.6kg indicates increasing volumes of litter, illegal dumping and deposited domestic waste entering the Transfer Station. It is very unlikely that the target for this measure will be achieved this financial year particularly if the trend over the past 3 years is taken into consideration (refer to Appendix Four for Waitakere trends).

Looking at the Council collected domestic waste, the Council has gained significant market share with the exit of other competitors (collecting approximately 99%) and therefore it has resulted in a higher figure being collected by the Council Contractor. The trend of increasing domestic waste levels appears to be averaging around 32kg, however with the year to date figure of 96.5kg per person, the domestic waste remains

much higher than the annual target of 115kg. At this stage, it is very unlikely that this target will be met during this financial year. (Please refer to Appendix Five for further data on regional domestic collections)

The business sector has increased their litter abatement practices during the first half of the financial year as more businesses adopt Council's recycling collection service.

Inorganic collections occurred throughout the third quarter with nearly half of the collection completed during this period. With 14.4kg of inorganic waste collected, this figure is below the annual target of 30kg per person or less.

Lastly, in the Zero Waste platform are the landfills. The Council has maintained 100% compliance with all regulations and resource consent conditions, ensuring that there have been no adverse impacts on the environment. In addition, Appendix Six and Seven outline national and international waste initiatives that call for more central government legislation in addressing waste issues.

Conclusion

The Second and Third Quarter Performance Report 2005/2006 provides an indication of how well the Council is meeting each strategic platform during the months of October 2005 through to March 2006.

In summary each platform is as follows:

Platform	Comments	Ability to meet Targets
Urban & Rural Villages	All measures in this platform are currently on target. Both second and third quarter results are indicating positive trends so far this financial year.	On track
Integrated Transport and Communication	Of the measures reported under this platform, all are within target except for the number of kilometres traveled per resident which remains 8.8% above the desired target. Over 60% of the measures in this platform are measured annually so results will not be known until the end of the financial year.	On track
Strong innovative Economy	Half of the measures are monitored on an annual basis so it is unknown at this stage how they are tracking. Of those that were analysed under this platform, 50% are on track, successfully exceeding annual targets. The other 50% are well below the desired target and at this stage of the financial year they seem unlikely to recover.	Some of the measures are below target
Strong Communities	The measures for West Wave Aquatic Centre, regular groups at the Community Centres, arts and events are all significantly exceeding their targets so far this year. Measures concerning the Massey Leisure Centre, Community Houses and casual visitors to the Community Centres however, appear unlikely to meet their annual targets.	Some of the measures are below target
Active Democracy	All of these measures are collected on an annual basis, therefore no conclusion can be reached until the end of the financial year.	Annual measures only

Platform	Comments	Ability to meet Targets
Green Network	Results for approximately 60% of the measures in this platform are provided at the end of the financial year. Of the remaining 40%, the majority are on track however there are issues with the measure that records the design and implementation of management plans on privately owned property as well the measure of legal protection of native vegetation. Both measures at this stage are unlikely to meet their targets.	Some of the measures are below target
Three Waters	The results for over 80% of the measures under this platform have been presented, the majority of which are on track with annual targets. Key areas of concern at this stage are the response and restoration measures for water mains breaks, and the domestic metered water use. The measure regarding the number of flood incidents is close to the desired target.	Some of the measures are below target
Sustainable Energy and Clean Air	Half of these measures are collected on an annual basis. Of the results presented in this report, all of the measures are exceeding their targets. One of the most exciting developments in this area is the establishment of the first permanent monitoring site for air quality which commenced operating in Ceramco Park on the 1 st December 2005.	On track
Zero Waste A90	All 10 of the measures under this platform have presented data in this report. Landfill measures, and community participation in waste cleanups are all meeting their targets to date. Inorganic collections and recycling of glass, plastic and paper have all seen a very small incremental increase in resident uptake. Tonnage of domestic waste, illegal dumping and litter however, all continue to increase - a trend that has been occurring consistently over the past 3 years.	50% of measures are unlikely to meet target

While many of the measures analysed in this report are on track or exceeding expectations, the above table identifies some areas for discussion. It appears that at this stage there are several measures that will be unlikely to meet their desired targets for this financial year. In some cases it is due to the measure being out of the control of the Council, while for others, the allocated targets failed to take into consideration trend data and/or seasonal variations.

Overall, the performance during the second and third quarters are what was expected.

Report prepared by Vanessa McDonald

A91

APPENDIX

APPENDIX ONE: Emissions Testing Information

Equipment Used: Petrol Opus 4 Gas Analyser
Diesel Hasbon Diesel Smoke Meter

What we test for in Petrol Vehicles:

- **Hydrocarbons (HC)** are measured in parts per million. The standard indicates that HC in the exhaust gas should be low, in fact the lower the better. Maximum should be 100 ppm in modern cars fitted with a catalytic converter, and below 400 ppm in older vehicles without a catalytic converter.
- **Carbon Oxide (CO)** or commonly known as carbon monoxide is measured as a % of total emissions by volume .The standard is %0.50 for vehicles fitted with a catalytic converter, and % 1.5 for vehicle without a catalytic converter.
- **Carbon Dioxide (CO. 2)** Contributes to “Greenhouse Gas” effect is measured as a % of total emissions volume, and indicates how good the combustion is in the motor .Higher the volume the better. The standard is 13%--15.5% .Below 10% means that the Fuel / Air mixture is incorrect and could indicate fuel injection or Ignition problems.
- **Oxygen (O 2)** Needed in all types of combustion .The Standard is measured in % of total emissions. Theoretically (O2) value should be zero therefore cannot be to low. A high reading would be up to 3%

What we test for in Diesel Vehicles:

PM2.5 The Smoke or Opacemeter measures the density or emission from the exhaust at a specific engine load .It is a % of the total emission volume. Standard results equal less than 3.5EU standard or 66% - the lower the better.

The Type of Test We Use for Petrol Vehicles

The most sophisticated is the IM 240 this is a loaded test which requires the use of a Dynamometer (Rolling Road) and is used in the United States and is not used at present in New Zealand

- The Simple Test - This can be done in two levels:
 - Basic Test: Emissions are checked at engine idle speed and takes 5 minutes
 - High/Low Idle Test: This is a more representative test and takes about 12 minutes

The Type of Test We Use for Diesel Vehicles

- Simple Test: Similar to petrol Vehicles
- Load test: More accurate but takes longer and small risk of motor damage and for this reason not done at this time

All **SIMPLE** tests are offered by The Testing Station

APPENDIX TWO: Events Held During the Third Quarter (January - March 2006)

Waitakere City Council Initiated Citywide Events	No of Events	Attendance
Waitakere Sounds	5 events	2,500
Infratil Awards	1 event	500
Henderson Library Opening	1 event	1,000
Eco-Day	1 event	2,500
Bio Blitz	1 event	3,000
Citywide Events Supported by the Council	No of Events	Attendance
Whanau Day Out	1 event	4,000
Waitakere Cultural Festival	1 event	4,000
Toddler Day Out	1 event	3,000
Elvis Memorial Day	1 event	1,500
Mau Dance Performances	3 events	1,000
Pollywood	2 events	750

Source: Taken from Barbara Cade, Events & Special Projects Manager

PA3

Public Arts and Cultural Events
1 x Studio Open Day
4 x Exhibitions at Lopdell House
10 x Public Programmes at Lopdell house
2 x exhibitions at Corbans Estate
10 x Public Programmes at Corbans Estate
3 x Market Days at Pacific Island Centre
3 x Workshops at Pacific Island Centre

Source: Data provided by Naomi McCleary, Manager of Arts

Events Held During the Second Quarter (October - December 2005)

Event	Date	Location	Attendance
Vodafone Surf Sessions	October 2005	Piha Beach	25,000 attendees Included international competitors
Diwali Festival of Lights	October 2005	New Lynn Community Centre	15,000 participants
Waitakere Pasifika Living Arts Festival	3-5 November 2005		16,000 attendees
Push Play Day	4 November 2005		Unknown
Waitakere Fireworks Display	5 November 2005		5000 attendees
Freedom of the City Charter Parade	11 November 2005	Te Atatu Peninsula	500 attendees
Glen Eden Christmas Parade	19 November 2005	Glen Eden	Unknown
Henderson Creek Jetties Opening Celebrations	19 November 2005	Henderson Creek – Chris Timm's Jetty and Tui Glen Jetty	300 invited guests
Henderson Creek Celebration Weekend	19-20 November 2005	Henderson Creek	Unknown
Trash to Fashion	25-26 November 2005	Trust Stadium	4,000 attendees
Henderson Rotary Christmas Parade	26 November 2005	Henderson	Unknown
New Lynn Christmas Parade	26 November 2005	New Lynn	Unknown
Te Atatu Peninsula Christmas Parade	3 December 2005	Te Atatu Peninsula	Unknown
Waitakere Christmas Festival	3 December 2005		8,000 attendees
Christmas Giftmaking	3 December 2005		700 children
Carols at Falls Park	18 December 2005	Falls Park	800 attendees (approximately)

PA4

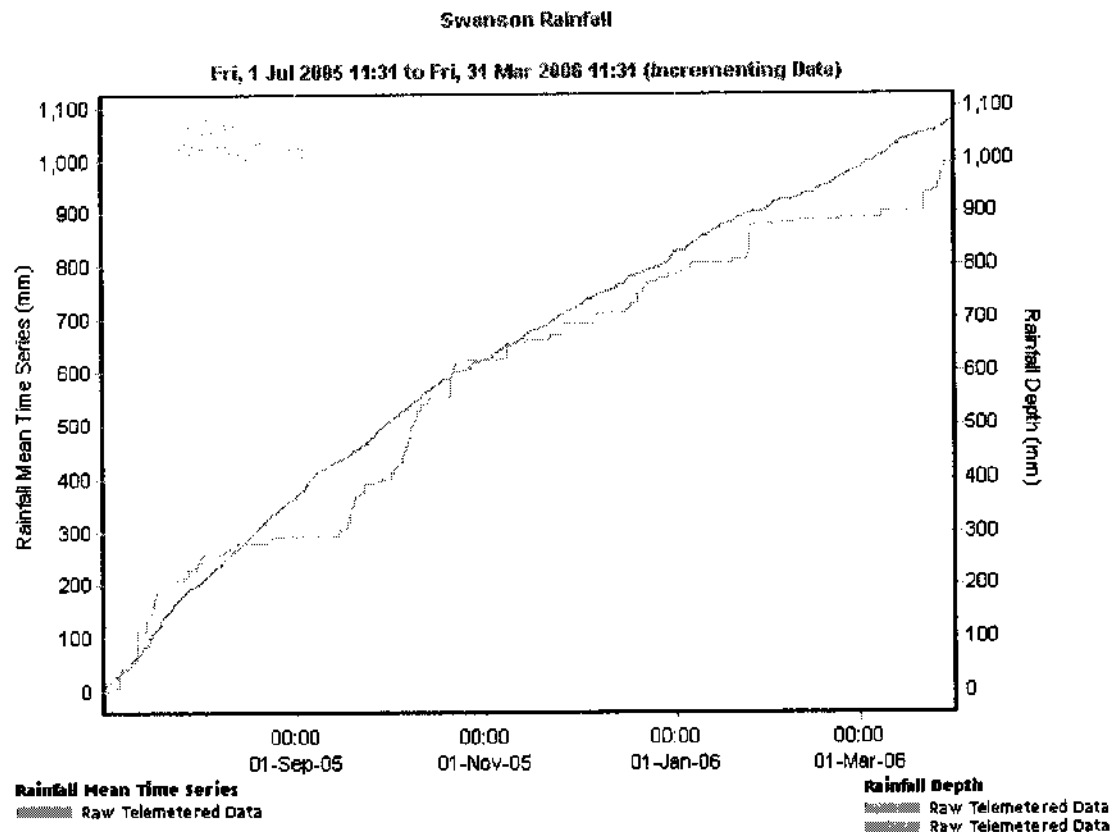
Source: Taken from City Events Update, Agenda Report for Arts and Events Special Committee, February 2006

Public Arts and Cultural Events
5x major events
7 x Corban Estate Arts Centre
4 x Lopdell house
2 x Council Foyer Exhibitions
2 x Glen Eden Library Exhibitions
2 x Waitakere orchestra
2 x Plyhouse Theatre
2 x Titirangi Theatre
1 x Waitakere Arts Awards
1 x Creative Communities funding
3 x Pacifica Markets

Source: Data provided by Naomi McCleary, Manager: Arts

APPENDIX THREE: Year to Date Rainfall in the Waitakere Region – July 2005 to March 2006

PPS



Note that the blue line is expected rainfall for the Waitakere region and the green line is the actual rainfall that occurred.
 Source: www.arc.govt.nz – Rainfall data.

APPENDIX FOUR: Trends in Waitakere's Waste

Measure	1998/1999 Annual Results	1999/2000 Annual Results	2000/2001 Annual Results	2001/2002 Annual Target	2001/2002 Annual Results	2002/2003 Annual Target	2002/2003 Annual Results	2003/2004 Annual Target	2003/2004 Annual Results	2004/2005 Annual Target	2004/2005 Annual Results	2005/2006 Annual Target
Waste entering the Transfer Station (from within and outside the City) is diverted from a landfill through reuse, recycling, recovery or composting initiatives. Includes waste reported as being diverted.	20.40%	21.90%	25.00%	23%	24.6%	27.0%	22.5%	23.0%	21.9%	25%	23%	25%
Reduce the volume per resident of domestic waste, litter, and dumping generated from Waitakere City and deposited at the Transfer Station (including inorganic waste but excluding kerbside recycling).	218 kg	156.6 kg	154.0 kg	154 kg	145.5 kg	152 kg	140.4 kg	151 kg	152.4 kg	145 kg	157.1 kg	145 kg

PA16

APPENDIX FIVE: Waste Comparison Data

Council	Domestic Waste Per Person First Quarter 2005
Waitakere City Council	127kg
Auckland City Council	199kg
Manukau City Council	221kg
North Shore City Council	150kg
Rodney District Council	153kg
Papakura District Council	182kg

Source: Reclaiming Auckland's Resources – Resource Recovery Network for the Auckland Region, July 2005
(Produced by Emission New Zealand Limited)

In reference to the above table from the First Quarter Performance Report 2005/2006, the following question was raised:

PP7

Why do Manukau City have a higher level of waste per resident?

The Local Government Act 2002 amended some of the provisions of the previous Litter Act 1979, primarily tidying up the references to other acts. This resulted in Waitakere City, North Shore City and Rodney District jointly introducing a bylaw which deals with the management of waste issues³. A second contributing factor is that Manukau residents currently put all household rubbish and green waste into any type of bag or bin (maximum capacity 60 litres) for disposal. They have a waste component in the make-up of their rates to cover the disposal. In comparison, Waitakere residents are on a user pays scheme and as a result we have seen a continued focus on waste reduction and awareness by our community. The third factor is in terms of education. Waitakere City is currently a leader in waste reduction initiatives within the Auckland Region. We are the only Council to have an educational facility (The Waste Minimisation Centre) and regularly undertake significant promotional campaigns to ensure that awareness of waste disposal is in the forefront of resident's minds.

³ Note that the other Auckland Councils are considering the introduction of a similar bylaw

Waste Management Comparison by Council Boundaries (Auckland Region Only)

Council	Council Bylaw for Waste Management	User Pays Waste Disposal	Method of Waste Disposal	Recycling	Education	Promotion
Waitakere City Council	Yes	Yes - Implemented in 1999	Council rubbish bags (\$1.30 per bag)	Yes Implemented in 1992	Yes – The Waste Minimisation Centre has been established and operational since 1998	Significant promotional campaigns are undertaken
Rodney District Council	Yes	Yes - Implemented in 1989	Council approved contractors' rubbish bags (ranges from \$1.35 to \$1.45 with savings on buying packets of 5)	Yes Implemented in 2003	No	Unknown
North Shore City Council	Yes	Yes - Implemented in 1990	Council rubbish bags (\$1.35 per coupon with savings on buying packets of 5)	Yes Implemented in 1990	No	Unknown
Auckland City Council	No	No	120 litre green wheelie bins	Yes Implemented in 1995	No	Unknown
Manukau City Council	No	No - Tried implementing in 1998 but concept was withdrawn by the newly elected Council due to public backlash	Any type of plastic bag or bin up to a maximum of 60 litre (maximum weight should be 18 kg)	Yes Implemented in 2001	No	Unknown
Franklin District Council	No	Yes - Implemented in February 1999	Bag and sticker	Due to start in March 2006	No	Unknown
Papakura District Council	No	No - Planning to implement in 1/7/2006	Currently any type of plastic bag ('user pays' in an official Council bag)	Yes Implemented in the year 2000	No	Unknown

RRS

APPENDIX SIX: Government Urged to Legislate for Waste

Authors: MURDOCH, Helen

Source: Press, The; 27/03/2006, pA8

New Zealanders have taken recycling to heart despite a wide range of methods and prices used by local authorities to gather recyclables, according to waste experts. However, they say the huge public buy-in is not supported by the national systems to process the material. Zero Waste chief executive Jo Knight is calling on the Government to "step up to the plate" and legislate for waste. Rubbish processing was a "sunrise industry susceptible to change", and change would deter the public, she said. Glass was still the No. 1 national issue and crunch time would come when current local authority waste contracts ended, she said.

But Nigel Ironside, sustainable industry manager at the Ministry for the Environment, defended the 18-month-old Voluntary Packaging Accord. Front-end design changes, more usable packaging, recyclable packaging and limited packaging options were being designed and tested by accord members, he said. The results would be seen in the next two years. Ninety-five per cent of New Zealand's population now have access to recycling and 77% had kerbside services, he said. The amount of packaging collected was rising and New Zealanders understood recycling.

Councils throughout the country had done an excellent job and differences between their process and prices illustrated their response to their community's wishes. However, throughout the South Island, the cost of recycling varies widely. Of the South Island councils surveyed Christchurch alone did not have a targeted kerbside recycling rate. Christchurch City Council senior planner Terry Moore estimated recycling and rubbish collection cost each household an average \$82 a year. The city collected 33,000 tonnes of rubbish and 24,000 tonnes of recyclables each year and soon planned to look at organic collection, he said. Glass was collected, stockpiled and crushed for use as a sandblasting medium for shipping, as a filter for swimming pools and for the production of glass flooring tiles. Recycling in Christchurch started in 1997. The city council had also started to promote consumer buying based on packaging.

App Dunedin was the cheapest city for homeowners to recycle in, with a kerbside recycling rate of \$21.50 billed to 48,000 homes. Solid-waste contract officer Terry Baker said the council viewed recycling as a benefit to the community. The service had reduced waste going into the landfill by between 36% and 40%.

The distance Ashburton District Council residents lived out of town determined household targeted recycling rate between \$30 and \$60. Solid waste manager Tammara Page said the council's programme was diverting 39% of waste from landfill and it was increasing.

At the other end of the scale, Timaru ratepayers will pay \$145 for a new three-bin recycling system under the council's proposed system, due to be introduced July 1. Solid-waste manager Brian Gallagher said the price covered the full cost of collecting and processing recyclable, residual and organic material. The fortnightly collection system aimed to divert 80% of the district's waste from its landfill and save \$30 million in future landfill costs, he said.

The Tasman District Council's \$55 kerbside recycling rate may rise to \$70 to cover the cost of servicing a population scattered across a large area. Council rubbish bags for residual waste cost \$1.10 each. Engineering manager Peter Thomson said the council had to compete with commercial refuse operators to retain a level of market sales in order to provide a cost-effective service. The council took a "basket" approach and tried to collect enough lucrative paper and cardboard to offset the cost of processing other resources, such as glass. However, local councils and their contracted recyclers were likely to solve many of the problems of the packaging industry, he said. The packaging accord was "toothless and frustrating", he said. "And we are being left to deal with the end product."

APPENDIX SEVEN: Watch Your Waistlines

In - Store. London: Jan 10, 2006. pg. 9

Proposed and existing legislation dealing with the growth in packaging waste has forced retailers, FMCG companies and designers to look for alternatives. Will Cooper reports:

The volume of packaging used in modern retailing, and the relatively small amount that can be recycled, has threatened to become a major public relations issue for some time. Now, a proposed ban on non-biodegradable packaging by 2010, suggested in the French Parliament, could promote the subject in the public consciousness.

Controversy has surrounded the proposal. In the UK, recycling hit the headlines at the end of last year after allegations that 500 tons of unsorted recyclable waste had been shipped to Indonesia illegally.

Countries have been struggling with the amount of waste being created, recyclable or not. According to the Department for Environment, Food and Rural Affairs (DEFRA), supermarket and convenience stores in the UK created 4.6 million tons of waste between 2002 and 2003, with an annual growth rate of approximately two per cent. DEFRA warns that packaging must be reduced by 100,000 tons a year if disposal and recycling services are to cope.

According to the Waste & Resources Action Programme (WRAP), a government initiative to promote sustainable waste management, approximately 50 per cent of household waste comes from retail purchases, with a quarter of that being packaging alone. With landfills nearly stretched to capacity, and EU regulations restricting their further use, retailers are taking a more active role in finding ways to improve the situation.

A100 Asda head of corporate social responsibility, Ian Bowles, says: "Recycling and producing packaging that cuts down on waste is extremely important to us, as it is to every retailer. In the past 18 months, Asda has invested pound 40m in establishing five major recycling centres around the country and we intend to have zero waste to landfill by 2010, with regard to store operations."

British and EU legislation passed in the mid-1990s has been a major factor in the retail stance towards waste management and packaging design. The EU Packaging Waste Directive 1994, revised in 2004, says that by December 2008, companies must have a minimum waste recovery level of 60 per cent. Between 55 and 80 per cent of packaging waste must be recycled, with targets of 60 per cent for glass, 60 per cent for paper and board, 50 per cent for metals, 22.5 per cent for plastics and 15 per cent for wood.

UK legislation, including the Producer Responsibility Obligations (Packaging Waste) 1997 and the Packaging (Essential Requirements) Regulations 1998, requires companies that handle more than 50 million tons of packaging and have a turnover in excess of pound 2m to provide evidence that they recover, recycle, compost or burn - with energy recovery - a specific amount of packaging waste. The exact amount is dependent on how much material they place on the UK market, and they must also pay a fee based on these figures.

"This includes own-brands and external brands," says Asda's Bowles. "The targets are set high, and increasing. Next year it's 80 per cent for Asda."

Asda's drive has been hastened by its signing up to the Courtauld Commitment, a retailer-driven initiative to reduce packaging and food waste by the UK public. Asda is working with WRAP and 11 other retailers - Boots, Budgens, the Co-operative Group, Londis, Iceland, Kwik Save, Marks & Spencer,

Morrison's, Sainsbury's, Tesco and Waitrose - to stop packaging waste growth by 2008, to start reducing it by 2010 and, perhaps most importantly, to identify and share ways to tackle the problem.

"We are investigating new technologies that provide an alternative to landfill and ways to help our customers reduce their household waste," says Tesco government affairs director David North. "All of us, from manufacturers to consumers, need to work together if we are to reduce waste, promote re-use and encourage recycling."

"Reducing packaging is important to our customers, the business and the environment," says Nick Monger- Godfrey, Waitrose head of corporate social responsibility. "We are working with WRAP on a number of packaging waste minimisation projects, particularly in convenience food, a rapidly growing area in our business."

An Innovation Fund, supported by WRAP, has been set up to help retailers and suppliers develop projects to minimise as much as 350,000 tons of waste per year. A collaboration between Sprout Design Partnership and Tesco, which has received a pound 42,103 contribution from WRAP, is looking at waste-saving ready-meal packs, an area which produces an enormous amount of waste.

"More than 80,000 tons of retail waste comes from ready-meals in the UK, and one in every two ready-meals bought in the EU is bought here," says Robert Brown, director at Sprout Design. "We are looking at alternative materials and designs that can reduce this amount, and how sustainable design could be applied."

But there is more to retailers' attitudes to eco-friendly packaging than simply working for a better future for the environment, says Brown.

10101

"It is interesting to note that Tesco and, I believe, other supermarkets, are interested in packaging minimisation and more sustainable design, not because they are a socially-driven business but because they see commercial opportunities," he says. "For example, cutting packaging cost and waste also generates positive publicity and improves their image."

At Asda, Bowles says the retailer is taking its lead from parent company Wal-Mart, which pioneered the use of degradable biopolymers in packaging in the US. "Wal-Mart is looking to move away completely from PVC use and already has 150 products that use biopolymer-based packaging," he says. "Our organics section will be the first to use them over here. The packaging can be home-composted and, unlike PVC production, costs are not dictated by fluctuating oil prices."

As well as those benefiting from the Innovation Fund, other producers are looking at alternative packaging methods. At brand and packaging design agency SiebertHead, director Tim Corvin says: "We are currently looking at how we can take products traditionally packaged in glass, and put them into recyclable polyethylene terephthalate (PET)."

PET is as easy to recycle as glass, with the added advantage of being thinner and more lightweight. A widespread changeover would result in considerable waste reductions.

"In the US most spirits already come in PET bottles, and we have seen how brands such as Ribena have eased from glass to plastic bottles," says Corvin. "It would make a difference."

Jane Bickerstaffe, director of the Industry Council for Packaging and the Environment (INCPEN), says that while it is encouraging to see retailers looking at alternatives such as PET, a complete switch on the scale of the French parliamentary proposal would be hard to implement, and not just for those producing the packaging.

"People certainly won't want to buy champagne in plastic bottles," she says. "But the issue is not necessarily about recycling. The main driver is finding the best fit for the purpose while using the right properties, and no material has a monopoly on environmental benefits."

Recycling should still be the end target for waste producers, says a Friends of the Earth spokesman. "Reduction is a good thing but it's only the first stage," he says. "We aim to reach a situation where everything is recycled, but we are far from being in a sustainable situation."

One problem is misleading information on packs. "You can find ways to label almost any supermarket product or packet as recyclable," says the Friends of the Earth spokesman. "But that doesn't necessarily mean it will be recycled. There are two issues here: making a product sustainable and ensuring that, once disposed of, it is recycled and re-used properly."

Bickerstaffe highlights another problem. "Current legislation excludes small retailers such as corner shops," she says. "More needs to be done by the government, through DEFRA and other programmes and by relevant parties, to ensure that small, independent stores comply with waste reduction and recycling targets."

Reducing packaging also has one further knock-on benefit, certainly from the consumer point of view, says Bowles. "Most packaging is a part of the final product price," he says. "At Asda our promise is everyday low prices. If we can take unnecessary packaging out of the chain, we can reduce the cost."

AI02

Watercare Services Limited

DRAFT STATEMENT OF CORPORATE INTENT

FOR THE THREE YEAR PERIOD COMMENCING 1 JULY 2006

1. INTRODUCTION

Watercare Services Limited (Watercare) is required to prepare and deliver to its shareholders, no later than 30 June in each year, a Statement of Corporate Intent (SCI) for the three year period commencing 1 July.

The SCI is the public and legislative expression of Watercare's accountability to its shareholders. It is the contract between Watercare's Board of Directors and its shareholders, and it is against this document that the Board reports to the shareholders and is held accountable. The SCI identifies the nature of Watercare's business and its strategic and operational issues. It sets the expectations of Watercare by the shareholders, and provides a tangible record of Watercare's performance by setting performance targets against which the Company must report.

2. BUSINESS PURPOSE

2.1 Vision Statement

Watercare's vision is to be the most efficient water and wastewater utility in Australasia whilst meeting industry best practice. We will provide high quality water and wastewater services in the most cost effective way. Within our core business we want to stretch our capabilities and competencies to achieve leading practices in utility operations.

2.2 Mission Statement

To provide water and wastewater services that are economically viable, environmentally sound, socially responsible and responsive to customer needs, thereby enhancing the services of the company to all people across the Auckland region.

2.3 Values

The core values of the Company, as embodied in the mission statement, are the guiding principles for all its activities and behaviour. They are the key drivers for the organisational culture of Watercare and can be summarised as;

- Economic viability
- Sustainability
- Social responsibility
- Responsiveness to customers

A103

2.4 Commitment to Sustainability

Watercare recognises it has responsibilities, as a corporation, which go beyond its specific legislative requirement of managing "...its business efficiently with a view to maintaining pricesat minimum levels consistent with the effective conduct of that business and the maintenance of the long term integrity of its assets."

Wherever practical Watercare tries to minimise the deleterious effects of its operations and looks to contribute to enhancing the environment in which Aucklanders live.

Watercare has six sustainability policies to support our core values;

- *ENVIRONMENTAL CARE*: To minimise the adverse impact of the company's operations on the environment.
- *EMPLOYEES HEALTH and SAFETY*: To be an industry best workplace.
- *STAKEHOLDER RELATIONSHIPS*: To be responsive to stakeholder requirements.
- *CUSTOMER SERVICE COMMITMENT*: To provide high quality products and meet customer service level requirements.
- *ASSET MANAGEMENT*: To manage and maintain the long-term integrity of its assets.
- *ECONOMIC PERFORMANCE*: To manage the business efficiently at minimum prices.

Watercare's commitment to sustainable business practice requires high levels of disclosure of plans, practices and operations. Also, Watercare's position as a monopoly service provider in the Auckland region obliges the company to retain stakeholders' confidence that it is performing optimally.

Management has a comprehensive set of operational objectives and detailed performance indicators, which support these policies at the operational level. Watercare publicly reports achievement against these detailed indicators each year in its Annual Report. A range of 'sustainability performance rulers' are used to provide a measure to compare current performance against prior years, and to assess improvement against objectives.

3. WATERCARE'S STRATEGIC PERFORMANCE TARGETS

At a strategic level there are a number of performance targets that the Shareholders Representative Group require Watercare to report performance against on a quarterly basis. These have been aligned to the sustainability policies and are detailed below.

Sustainability Policy	Strategic Performance Target
<p><i>ENVIRONMENTAL CARE:</i> To minimise the adverse impact of the company's operations on the environment</p>	<ul style="list-style-type: none"> a) To ensure no successful prosecutions arise from breaches of Resource Management Act consents. b) To continue work on minimising the impact of biosolids and effluent on the environment. c) To use energy efficiently and where appropriate recover energy from operational activities.
<p><i>EMPLOYEES HEALTH and SAFETY:</i> To be an industry best workplace.</p>	<ul style="list-style-type: none"> a) To demonstrate a commitment to best management practice including equal employment opportunities. b) To take all practical steps to provide employees with safe working conditions that do not detrimentally affect their health and safety and to have no successful prosecutions under the Occupational health and Safety legislation
<p><i>STAKEHOLDER RELATIONSHIPS:</i> To be responsive to stakeholder requirements.</p>	<ul style="list-style-type: none"> a) To work with the SRG and LNOs in a transparent and collaborative manner. b) To consult with the community and stakeholders on matters of relevance to them including both the company's Maori and Environmental Advisory Groups. c) To comply with all statutory requirements.

A105

5

<p><i>CUSTOMER SERVICE COMMITMENT:</i></p> <p>To provide high quality products and meet customer service level requirements.</p>	<ul style="list-style-type: none">a) To achieve full compliance with the Drinking Water Standards of New Zealand 2005 for potable reticulated waterb) To ensure water treatment plants and the distribution network operate to maintain the Ministry of Health (Aa) grading.c) To meet the 1 in 200 year drought security standards for the water supply system.
<p><i>ASSET MANAGEMENT:</i></p> <p>To manage and maintain the long-term integrity of assets.</p>	<ul style="list-style-type: none">a) To lead the development of an integrated regional solution for the management of water, wastewater and stormwater.b) To ensure Watercare's Asset Management Plans and processes are best Australasian industry practice
<p><i>ECONOMIC PERFORMANCE:</i></p> <p>To manage the business efficiently at minimum prices and to operate on a least-cost philosophy subject to fulfilling other environmental, social and legislative requirements.</p> <p style="text-align: right;">A106</p>	<ul style="list-style-type: none">a) To investigate and implement efficiency improvement opportunities within the water and wastewater industry in the Auckland Region, working closely with Watercare's existing customers.b) To target an "A" credit rating from the international rating agency Standard & Poors and in so doing;<ul style="list-style-type: none">▪ target a funds flow from operations to interest cover of 3.50 times, but in any event a minimum of 3.0 times before any price adjustment.▪ Renewing / replacing long-term debt facilities at least 6-months before their maturity.▪ Achieve a net debt to total capitalisation ratio of less than or equal to 60% (excluding the impact of asset revaluations).c) To maintain the CPI-x philosophy to deliver operational efficiency and productivity improvements in relation to costs.d) To ensure the price formula transparently identifies the key components.e) Watercare will commission a targeted / focused cost efficiency review every 3 to 5 years as appropriate.

4. OTHER CONSIDERATIONS

Section 3 above details the specific performance targets agreed with Watercare's shareholders and against which performance is measured and reported. Watercare will in addition, as part of our commitment to transparent and open reporting, provide the shareholders with information on progress towards operational objectives that are directly linked to the strategic targets set out in section 3 by including with the quarterly reports the relevant 'sustainability performance rulers'.

In addition to these targets there are some more general considerations, which while not reported against, do form part of Watercare's operating philosophy. As such Watercare endeavours, wherever practical to;

- Work co-operatively with the LNOs to;
 - Prioritise regional wet weather wastewater overflow mitigation works
 - Develop appropriate targets for wet weather wastewater overflows
 - Implement wet weather overflow mitigation work
 - Develop options to minimise the peak wastewater flows through the wastewater network and treatment plant
- Co-ordinate the operations of the Water Advisory Group, in co-operation with the LNOs and the ARC.
- Work with government agencies in the areas of climate change
- Seek representation on relevant industry steering and standard setting committees.
- Ensure that risk management and business continuity planning and participation on regional contingency planning forums is maintained.
- Ensure the company's financial strategies are consistent with sustainable development and review annually and where necessary update and report on changes to Watercare's Sustainability Policy.

Last year Watercare and the SRG introduced an enhanced reporting process by developing a Matters of Interest (MOI) log where agreed topics of significant interest are recorded in the MOI log and Watercare then reports progress on these topics in its quarterly reports to the SRG.

This process was adopted to ensure that the actual SCI performance targets can be kept more strategic in nature. Items of a more operational nature that the SRG is particularly interested in can now be kept in the MOI log rather than put in the SCI as specific targets.

A107

APPENDIX

This appendix contains background information on the nature and scope of Watercare's activities and on significant issues facing the business. It also contains other information disclosures required by the Local Government Act.

A. NATURE AND SCOPE OF ACTIVITIES

A.1. Background

Watercare was established in 1992 as a Local Authority Trading Enterprise (LATE) responsible for the provision of bulk water and wastewater services to the Auckland region.

In 1998, ownership of the company was vested in the city and district councils of Auckland, Manukau, North Shore, Papakura, Rodney and Waitakere, having previously been owned by the Auckland Regional Services Trust.

Since 1 July 2003 when the Local Government Act 2002 (LGA 2002) came into force, Watercare has been subject to dual legislative regimes;

- the Watercare specific provisions of the Local Government Act 1974 (LGA 1974), and
- the "Council Organisation" provisions of the LGA 2002.

Under the Watercare specific provisions of the LGA 1974 in section 707ZZZS Watercare is required to:

"manage its business efficiently with a view to maintaining prices for water and wastewater services at the minimum levels consistent with the effective conduct of that business and the maintenance of the long-term integrity of its assets".

A.2 Governance

Shareholders

The six Auckland local authorities own shares in Watercare in the following proportions

- Auckland City 41.6%
- Manukau City 25.1%
- Waitakere City 16.7%
- North Shore City 11.5%
- Papakura District 3.7%
- Rodney District 1.4%

A108

Shareholder Representative Group (SRG)

The owners are represented, collectively, by the Watercare Shareholder Representative Group (SRG). Each of the six owners appoints two representatives to the SRG.

A Shareholders' Agreement, which was agreed between the six owners in 1998, sets out the role of the SRG and procedures for meetings of the group. In summary, the SRG;

- selects and appoints directors of Watercare
- approves Watercare's annual SCI
- considers the Asset Management Plans on behalf of the owners
- approves any major acquisition or transaction by the company on behalf of the owners
- reviews the performance of the Board
- liaises and consults on the company's financial performance

Decisions or actions on these points require the agreement of a representative of each of the shareholders collectively holding 75% or more of the shares in Watercare before they are binding on all shareholders.

The directors and senior executives meet the SRG quarterly to brief them on company operations.

Board of Directors

Watercare has an independent board of directors. The LGA 1974 stipulates that no person who is a member or an employee of a local authority may hold office as a director of Watercare.

Watercare's Constitution requires the directors manage the company in line with the annual SCI. Through the SCI, the directors are accountable to the owners, who are, in turn accountable to residents and ratepayers of the Auckland region.

Practically the directors determine the overall direction of the company in light of the objectives set out in the SCI and the statutory requirements for the company in the LGA. The directors make major decisions, including decisions on major new capital investment and on major business initiatives, in line with those objectives.

The directors are responsible for monitoring the performance of the company, and for monitoring the performance of the Chief Executive who has responsibility for managing the company on a day-to-day basis.

A109

A.3 Business Overview

(a) Water Services

Watercare collects and treats raw water from the Hunua and Waitakere Ranges, the Waikato River and from groundwater sources at Onehunga. The Company supplies the Local Network Operators (LNOs) with potable water at contractually defined standards of quality and storage security.

Water demand for the 12 months ending June 2005 averaged 359,000 m³ per day. The bulk water supplied is reticulated by the LNOs to over 1,194,000 consumers.

(b) Wastewater Services

Watercare collects wastewater up to specified maximum flow rates, from Herald Island to Papakura. The Company's system services four LNOs, (Metro Water, Waitakere City Council, Manukau Water and United Water), over 635 Trade Waste customers and ultimately over 911,000 consumers.

Approximately 274,000 m³ per day of wastewater is received from the LNOs' systems and treated at the Mangere Wastewater Treatment Plant (WTP). Discharges from the treatment plant to the environment are controlled in accordance with resource consents granted by the ARC pursuant to the Resource Management Act 1991 (RMA).

(c) Laboratory Services

Watercare operates one of the largest water, wastewater and environmental laboratories in New Zealand. The analytical laboratory provides sampling, on site monitoring, analytical and scientific services. In addition, the air quality department provides ambient air and point source emission and odour monitoring. The laboratory services a wide range of clients both internally and nationwide.

(d) Engineering Consultancy Services

Watercare has internal resources that provide feasibility, design, contract administration, systems integration, commissioning and operating expertise as well as documentation services to both internal and external clients in the water and wastewater industries.

(e) Watercare's Organisational Structure

Watercare underwent an organisational restructure in 2004. The decision was made to move away from the Business Unit model and reorganised the company under four major functional groups supported by an office of the Chief Executive;

- Asset Management
- Operations Management
- Finance
- Business Services
- Office of the Chief Executive

AOO

Asset Management

This functional group is responsible for asset planning, asset development, project management and delivery of new assets to the operations group. It also has responsibility for property and facilities management.

Operations Management

This functional group is responsible for water treatment operations, wastewater treatment operations, reticulation management and maintenance services delivery.

Finance

This functional group is responsible for treasury, accounting services, business information systems and procurement.

Business Services

This functional group is responsible for human resources, business planning, commercial services (including laboratory services and trade waste), environmental management and business development.

Office of the Chief Executive

This includes corporate relations, communications, risk management, business improvement, engineering information functions and internal audit.

B. SIGNIFICANT ISSUES

B.1 Operating Environment

A key issue facing Watercare is the strong growth of the Auckland region as outlined in the ARC Regional Growth Strategy. This will result in an increasing demand for water supply and wastewater services.

Efficient use of the existing infrastructure through demand management and inflow and infiltration control initiatives as well as enhancement and expansion of the infrastructure will be required to service this increase in demand.

At the same time, the requirement for reduced environmental impacts, formalised through resource consents issued under the RMA, will place increasing demands on the operational performance of existing infrastructure.

Watercare and the LNOs have acknowledged the mutual and regional benefits of sharing information and undertaking an appropriate level of joint planning when developing regional strategies and capital works programmes. Having established in June 2005 the integrated vision for the Auckland region's three-water services, Watercare will now co-ordinate, in line with the vision, the long term strategic planning for efficient delivery of these services taking into account the challenges the region will face over the next fifty years and the health of the receiving water environment.

A III

5

B.2 Water Supply

Watercare is working closely with the Ministry of Health, the Ministry for the Environment and water operators throughout New Zealand to ensure that any new Drinking Water Standards are appropriate from both a public health and affordability viewpoints.

Through the Water Advisory Group and the Auckland Water Management Plan, Watercare and the LNOs are working towards achieving the agreed demand management target of a 5% reduction in gross per capita water use over the next 20 years.

Watercare's major water treatment plants have recently been upgraded to achieve compliance with the Drinking Water Standards of New Zealand 2000, which are now due to come into force on 1 January 2006. The optimisation of the upgraded plant's operation and processes will be a major focus of attention.

B.3 Wastewater Collection, Treatment and Disposal

Under the provisions of the Resource Management Act, Watercare is obliged to secure resource consents for discharges associated with the operation of the bulk wastewater collection systems.

Applications to renew the existing discharge consents were submitted in March 2001 to permit the continued operation of the wastewater collection system in compliance with the RMA.

Watercare has initiated a comprehensive project including a review of existing network models, joint catchment studies with the LNOs and the development of harbour and stream quality models to quantify the effects of wastewater overflows. The principal objective of the project is to ensure that overflow mitigation works are regionally optimised, fully accounting for the economic, environmental and social impacts.

Finalising statutory approvals for the replacement of the Hobson Bay sewer with an underground pipeline and completing the design and contract award for the construction and demolition works are important business objectives.

Following a comprehensive public consultative process, resource consents to upgrade the Mangere Wastewater Treatment Plant were granted in early 1998. A contract for the design and construction of the plant upgrade and the rehabilitation of the adjacent coastal foreshore was awarded in February 1998 and construction activities commenced in July 1998.

Now that the upgrade has been completed, the optimisation of the new treatment process will continue to be a major focus of attention.

A112

B.4 Trade Waste

Trade Wastes are controlled and charged for under a framework established by the Auckland Metropolitan Drainage Act (AMDA) and by the supporting Trade Wastes Bylaw as amended by Watercare. The Local Government Act allows Watercare to operate under the AMDA and to continue the use of the bylaw until 30 June 2007. In the absence of wider legislative changes within the water industry, Watercare will require the entitlement to use the AMDA and bylaw beyond 2007.

Watercare is continuing to review its Trade Wastes control programmes, including monitoring the contaminant levels in the biosolids, and is implementing changes as required to ensure that management of Trade Wastes is aligned to the upgraded WTP processes, its resource consent requirements and the needs of the LNOs. Watercare is committed to consulting the LNOs and other stakeholders to ensure that any changes meet the needs of all concerned.

B.5 Customer Contracts

An Agreement Relating to the Supply of Bulk Water effective from 1 July 2005 was signed with all the LNO customers. The contract fixed the increase in Watercare's price path at CPI-3% for a three-year period. The contract also imposed specific service delivery and monitoring requirements.

An Agreement Relating to the Collection of Domestic Wastewater effective from the 1 July 2005 was signed with all LNO customers. The contract has also fixed Watercare's wastewater price path at CPI - 3% for the next three years.

To provide greater certainty to customers about long-term prices Watercare has also made a commitment to provide a rolling three-year declaration of the price path.

Prior to this rolling three-year commitment, the bulk water and wastewater contracts made a commitment for the term of the contract. With each year of the contract that elapsed the commitment dropped from three to two to one year, at which time a new contract would need to be negotiated.

B.6 Funding

Watercare is investing in a significant capital works programme that will ensure Auckland continues to receive a secure high quality water supply and safe wastewater collection, treatment and disposal.

Watercare's financial strategies are developed to ensure they are consistent with the goals of achieving economic efficiency, intergenerational equity and optimal cost of capital.

To give effect to intergenerational equity by maintaining an appropriate balance between revenue and debt funding, it is important that Watercare maintains an appropriate investment grade credit rating to enable debt raising necessary from a wide variety of sources and at attractive interest rates. Watercare's current A-1/A+ short and long-term credit ratings reflect the company's sound financial situation.

A113

B.7 Regional Water and Wastewater Industry Synergies

Watercare is looking for opportunities to capture synergies and efficiency benefits within the Auckland Water and Wastewater industry and is working closely with existing customers on a number of initiatives.

Any significant proposal for change arising from discussions with the customers will require shareholders' approval as set out in section 7.6 of the SCI and as required under the LGA 2002.

C. OTHER INFORMATION

C.1 Shareholders' Funds [To be completed prior to final SCI]

	2006/07	2007/08	2008/09
Consolidated Shareholders' Funds to Total Assets	%	%	%
Consolidated Shareholders' Funds to Total Assets (historic cost)	%	%	%

Note:

1. Consolidated Shareholders' Funds are defined as Issued and Paid Up Capital, Revaluation Reserve and Retained Earnings.
2. Total Assets are defined as Net Book Value of Current Assets, Investments and Fixed Assets as disclosed in the Company's Statement of Financial Position.
3. The ratio of Consolidated Shareholders' Funds excluding the revaluation reserve to Total Assets less the revaluation reserve is referred to as the historic cost basis.

C.2 Accounting Policies

For the year ending 30 June 2006 Watercare's financial statements will be prepared in accordance with the New Zealand International Financial Reporting Standards, which will become mandatory for all entities, from January 2007. Watercare however decided to adopt these standards early.

Previously Watercare's financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice.

Any

C.3 Application of Surplus Funds

Watercare is prohibited by legislation from paying a dividend.

Watercare annually reviews any water and wastewater surpluses and considers if the return of such surpluses to the customers is commercially prudent.

Watercare has developed a Pricing Adjustment Mechanism that allows for prices to customers to be reduced in circumstances where in aggregate, the company's performance in the year is significantly better than anticipated. The pricing adjustment in these exceptional circumstances will be made in the year it occurs.

C.4 Information to be provided to the Shareholders

Watercare will meet the requirements of the LGA 1974 and LGA 2002, the Companies Act 1993 and the reasonable requirements of the Shareholders. In particular, the following information will be provided:

- *Annual Statement of Corporate Intent (SCI)*

Watercare will provide a draft and final SCI in accordance with the LGA. The Directors will include any other information they consider appropriate.

The draft SCI will be provided to the Company's shareholders on or before 1 March each year and the final SCI by 30 June each year in terms of the new LGA 2002 and Watercare specific provisions in the LGA 1974.

- *Asset Management Plan*

In accordance with ss707ZZZS(1)(k) and (m) of the LGA 1974, Watercare will provide an indicative Asset Management Plan to each shareholder at least four months before the end of the financial year, will consider written submissions made by each shareholder on that plan and will include in the SCI a summary of Watercare's proposals in respect of the submissions.

An assessment of the costs and benefits of significant proposed projects and their alternatives, including the impact of demand management and efficient pricing, and the commercial and operational risks of not proceeding with the project, deferring it or bringing it forward will be included in the Asset Management Plan.

- *Funding Plan*

In accordance with ss707ZZZS(1)(l) and (m) of the LGA 1974, Watercare will provide an indicative Funding Plan to each shareholder at least four months before the end of each financial year, will consider written submissions made by each shareholder on that plan and will include in the SCI a summary of Watercare's proposals in respect of the submissions.

AIS

- *Management Reports*

Management reports will be provided within one month of the end of the September and March quarters and within two months of the end of the December and June quarters, including:

- The unaudited Statement of Financial Position as at the end of the preceding quarter, and the Statement of Financial Performance, Statement of Cash Flows and a capital expenditure summary for the year to date and the preceding quarter. These statements will include comparative budget data and variances.
- A commentary upon significant matters that occurred in the previous quarter including comments on financial results and significant matters expected in the next quarter.
- The return on equity for the preceding quarter and year to date.
- Particulars of any assets sold during the preceding quarter where the aggregate value of associated assets exceeds \$1 million.
- Reasons for, and impacts of variance from the capital expenditure programme which was identified in the Asset Management Plan.
- A commentary on significant capital projects in progress
- A commentary on material changes, if any, in capital expenditure from that reported in the AMP.
- A report on the achievement of the SCI performance targets.
- Any reasonable request for information.

The statutory obligations to provide shareholders with a half-year and a full year report on operations will be met by the management reports for the December and June quarters respectively.

- *Annual Report*

Watercare will produce an Annual Report that covers sustainability performance together with the audited financial and service performance statements.

The report will be provided within three months of the end of the financial year in accordance with the LGA, and will meet the reporting requirements of the Companies Act and the Financial Reporting Act. It will comply with New Zealand International Financial Reporting Standards and will include any other information the Directors consider appropriate.

A116

▪ *Shareholder Consultation*

Watercare will maintain an ongoing dialogue with the shareholders, to ensure they are aware of major issues facing Watercare and are satisfied that Watercare is meeting its business and performance targets.

In particular Watercare will keep its shareholders informed of any submissions it makes on significant areas of legislative change.

C.5 Procedure for the acquisition of shares

The Directors will consider all share investment proposals.

Any decision to invest in or divest shares in another company or to enter into a joint venture relationship or participation arrangement through equity or operating agreements, will be made by the Directors in accordance with Watercare's constitution. The shareholders will be consulted in the event that an investment or divestment of this nature will create a significant increase in risk exposure.

C.6 Events requiring Shareholder approval

Shareholder approval will be obtained prior to Watercare entering any business activity that significantly changes or is outside the nature and scope of Watercare's current activities.

C.7 Activities for which the Company seeks compensation from any Local Authority

Watercare maintains commercial arrangements with the Auckland Territorial Authorities for functions, duties or services that Watercare is required to undertake. These include supply of water, collection of wastewater and trade wastes functions. However these negotiations will be without prejudice to Watercare's rights at law to impose reasonable charges for the supply of its services.

C.8 Directors' estimate of the Commercial Value of the Shareholders' Investment

The inclusion of an estimate of commercial value is a statutory requirement. Watercare is however prohibited by the LGA from being privatised. Legislative restrictions prevent Watercare's shareholders from selling their shares and prevent Watercare from paying dividends to its shareholders.

The book value of the shareholders' investment at 30 June 2005 was \$1,167m based on the accounts maintained by Watercare in accordance with the stated accounting policies. The Directors may from time to time requisition an independent valuation of the shareholders' investment.

5

C.9 Asset Management Plans and Funding Plans

[To be completed prior to Final SCI]

The Asset Management Plan (AMP) for the 2006/2007 financial year was issued to the shareholders on 1 December 2005. Watercare's Funding Plan for the 2006/2007 financial year was issued to the shareholders at the end of February 2006.

The SRG reviewed the AMP and noted

The SRG have reviewed the Funding Plan and noted

C.10 Disposal of Assets

The Company will consult with the shareholders prior to the disposal of any part of its undertakings, which, in any one-year, exceed in aggregate 5% of the current book value of its assets.

A18

APPENDIX 1

Information Management LTCCP 2006 - 2016

Details	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Expenditure										
Information Management Infrastructure and System Applications LTCCP										
Application Systems										
Pathways	3,591,740	500,000			100,000	4,000,000	4,000,000			
Financials	1,900,000	250,000			50,000	1,000,000	2,000,000			
Electronic Document and Record Management	511,000	250,000	100,000	50,000				2,000,000		1,000,000
Digitisation Project	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	100,000	1,000,000	100,000	100,000	100,000
GIS Upgrades	100,000	100,000		200,000		20,000	10,000	200,000	2,000,000	1,400,000
Asset Management			1,000,000	1,000,000					200,000	100,000
Other Systems	400,000	600,000	1,000,000	600,000	700,000	600,000	670,000	600,000	400,000	900,000
Application Systems Total	8,502,740	3,700,000	4,100,000	3,850,000	2,850,000	5,720,000	7,680,000	2,900,000	2,700,000	3,500,000
Infrastructure										
System Servers	450,000	200,000	100,000	500,000	100,000	100,000	500,000	100,000	100,000	500,000
Security Upgrades		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Operating System Upgrades and New Licences	120,000	600,000	100,000	200,000	650,000	120,000	120,000	600,000	200,000	350,000
Storage Area Network (SAN)	100,000	200,000	100,000	100,000	500,000	500,000	100,000	100,000	100,000	100,000
Server Room Upgrades			500,000	200,000	100,000	200,000				200,000
Network Environment	630,000	400,000	400,000	1,050,000	200,000	760,000	500,000	200,000	600,000	1,250,000
Disaster Recovery/Business Continuity		300,000	300,000			200,000			200,000	
Infrastructure Total	1,300,000	1,800,000	1,600,000	2,150,000	1,650,000	1,980,000	1,320,000	1,100,000	1,300,000	2,500,000
TOTAL	9,802,740	5,500,000	5,700,000	6,000,000	4,500,000	7,700,000	9,000,000	4,000,000	4,000,000	6,000,000

A119

**MINUTES OF A MEETING OF THE EMERGENCY SERVICES SPECIAL COMMITTEE
HELD IN THE CIVIL DEFENCE HEADQUARTERS, 7 ELCOAT AVENUE, HENDERSON,
WAITAKERE CITY, ON TUESDAY, 4 APRIL 2006,
COMMENCING AT 9.35 AM.**

PRESENT: Councillors DQ Battersby, JP (Chairperson)
RP Dallow, QPM, JP

IN ATTENDANCE: Director: Corporate and Civic Services
Emergency Management Services
Group Manager: Democracy and Support Services
Principal Rural Fire Officer
Emergency Management Officer: K Nuttal
Emergency Management Officer: B Guttery
Democracy Support and Sister Cities Officer

1 APOLOGIES

493/2006

MOVED by Cr Dallow, seconded Cr Battersby:

That an apology from Cr Flaunty for absence be received and sustained.

CARRIED

2 URGENT BUSINESS

There was no Urgent Business.

3 CONFIRMATION OF MINUTES

494/2006

MOVED by Cr Dallow, seconded Cr Battersby:

That the minutes of the Meeting of the Emergency Services Special Committee held on Tuesday, 6 December 2005, as circulated, be taken as read and now be confirmed.

CARRIED

4 OVERVIEW OF CIVIL DEFENCE EMERGENCY MANAGEMENT ACTIVITY

495/2006

MOVED by Cr Battersby, seconded Cr Dallow:

That the Overview of Civil Defence Emergency Management Activity report be received.

A120

CARRIED

10.31 am

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

CONFIRMED AT A MEETING OF THE
EMERGENCY SERVICES SPECIAL COMMITTEE
HELD ON

DATE:.....

CHAIRPERSON:.....

A121

**MINUTES OF A MEETING OF THE TENDERS SUBCOMMITTEE HELD IN THE
CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,
ON FRIDAY, 7 APRIL 2006, COMMENCING AT 9.04 AM**

PRESENT: Councillor JM Clews, QSO, JP (Chairperson)
Director: Corporate & Civic Services
Director: Quality Assurance
Director: Finance

IN ATTENDANCE: Group Manager: Asset Management
Special Projects Engineer
Property Assets Unit: Asset Management
Committee Administrator: S Riley

1 APOLOGIES

542/2006

MOVED by Cr Clews, seconded R McLeod:

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

CARRIED

2 URGENT BUSINESS

There was no Urgent Business.

3 CONFIRMATION OF MINUTES

543/2006

MOVED by R Rudd, seconded R McLeod:

That the minutes of the Meeting of the Tenders Subcommittee held on Friday, 24 March 2006, as circulated, be taken as read and now be confirmed.

CARRIED

4 CONTRACT NO. TA05013B - ROAD EMERGENCY AND SPECIAL WORKS

544/2006

MOVED by R McLeod, seconded A Pollock:

1. That the Contract No. TA05013B - Road Emergency and Special Works report be received.
2. That authority to issue the variation order to Contract No. TA05013B - Road Emergency and Special Works and vary contract amount by \$186,337 plus GST and to revise total contract amount to \$489,424 plus GST totalling \$550,602 be delegated to the Group Manager: Asset Management.

A122

CARRIED

5 CONTRACT NO. PY05017E - WAITAKERE CITY COUNCIL RESPONSE MAINTENANCE - GLASS

545/2006

MOVED by R Rudd, seconded R McLeod:

1. That the Contract No. PY05017E - Waitakere City Council Response Maintenance - Glass report be received.
2. That the tender from North Shore Glass Co Limited for Contract No. PY05017E - Waitakere City Council Response Maintenance - Glass in the sum of \$45,000.00 plus \$5,625.00 GST, totalling \$50,625.00 be accepted.
3. That approval for Contract No. PY05017E - Waitakere City Council Response Maintenance - Glass is given to committing \$20,000.00 against the 2006/2007 Annual Plan.
4. That approval for Contract No. PY05017E - Waitakere City Council Response Maintenance - Glass be given to committing \$20,000.00 against the 2007/2008 Annual Plan.
5. That the authority to enter into Contract No. PY05017E - Waitakere City Council Response Maintenance - Glass on behalf of Council be delegated to the Group Manager: Asset Management.
6. That the renewal for Contract No. PY05017E - Waitakere City Council Response Maintenance - Glass for the 2006/2007 and 2007/2008 financial years be reported back to the Tenders Subcommittee for approval.

CARRIED

PUBLIC EXCLUDED MATTER

6 CONTRACT NO. SP02503I - WAITAKERE CENTRAL LIBRARY/UNITEC - CONTRACTUAL APPROVALS

546/2006

MOVED by R McLeod, seconded A Pollock:

That the public be excluded from the following part of the proceeding of this meeting, namely, Contract No. SP02503I - Waitakere Central Library/Unitec - Contractual Approvals.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution is as follows:

A123

General subject of the matter to be considered.	Reason for passing this resolution in relation to the matter.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none"> Contract No. SP025031 - Waitakere Central Library/Unitec - Contractual Approvals. 	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). 	<p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 7(2)(i) of that Act which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public as follows:

- The report contains information which if released could affect the Council's negotiations.*

CARRIED

9.09 am The public were excluded.

Minute Number 547/2006 is recorded in the Confidential Section of these Minutes.

9.10 am The public were readmitted.

RESTATEMENT

The Tenders Subcommittee resolved while the public were excluded:

(Moved by A Pollock, seconded R Rudd) (resolution 547/2006) *"That Contract No. SP025031 - Waitakere Central Library/Unitec - Contractual Approvals Agenda report and associated resolutions remain confidential until such time as the reasons for confidentiality no longer exist."*

9.11 am The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

A124

CONFIRMED AT A MEETING OF THE TENDERS SUBCOMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....

**MINUTES OF A MEETING OF THE TENDERS SUBCOMMITTEE HELD IN THE
CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,
ON FRIDAY, 21 APRIL 2006, COMMENCING AT 9.02 AM.**

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

OBSERVERS: Cr WW Flaunty, QSM, JP

IN ATTENDANCE: Group Manager: Democracy and Support Services
Project Manager: Cleaner Production
Asset Manager: Environmental
Administration Team Manager
Committee Administrator: S Riley

1 APOLOGIES

636/2006

MOVED by W Paki , seconded R McLeod:

That apologies from H O'Rourke and John Dragicevich for absence be received and sustained.

CARRIED

2 URGENT BUSINESS

There was no Urgent Business.

3 CONFIRMATION OF MINUTES

637/2006

MOVED by W Paki, seconded R Rudd:

That the minutes of the Extraordinary Meeting of the Tenders Subcommittee held on Friday, 31 March 2006 and the Meeting held on Friday, 7 April 2006, as circulated, be taken as read and now be confirmed.

A125

CARRIED

4 CONTRACT NO. PK05006C - PARKS PLANTING - AUTUMN 2006

638/2006

MOVED by R Rudd, seconded Cr Clow:

1. That the Contract No. PK05006C - Parks Planting - Autumn 2006 report be received.
2. That subject to a satisfactory credit check the tender from Techscope Limited for Contract No. PK05006C - Parks Planting - Autumn 2006 in the sum of \$398,705.00 plus \$49,838.13 GST, totalling \$448,543.13 be accepted.
3. That authority to enter into Contract No. PK05006C - Parks Planting - Autumn 2006 on behalf of Council be delegated to Group Manager: Asset Management.

CARRIED

5 CONTRACT NO. CC05139A - CAFÉ AND CATERING SERVICES

639/2006

MOVED by W Paki, seconded R Rudd:

1. That the Contract No. CC05139A - Café and Catering Services report be received.
2. That Contract No. CC05139A - Café and Catering Services be awarded to Eurest New Zealand for a service fee payable by Council of \$1.00 per annum to commence on 22 June 2006 and expire on 30 May 2008 with provision for an extension of up to one year.
3. That authority to enter into Contract No. CC05139A - Café and Catering Services on behalf of Council be delegated to the Director: Corporate and Civic Services.

CARRIED

6 FLEET REPLACEMENT - 2006

640/2006

MOVED by Cr Clow, seconded A Pollock:

1. That the Fleet Replacement - 2006 report be received.
2. That contract for the purchase of **nine** Holden Barina 3 Door Hatch Manuals and **16** Holden Barina three Door Hatch Automatics and **seven** Holden Barina 5 Door Hatch Manuals and **two** Holden Rodeo Spacecab 4x2's and **three** Holden Rodeo Crewcab 4x4 LX's and **one** Holden Rodeo Space Cab 4x4 and **three** Holden Combos be approved to be entered into with West City Holden for the total purchase price of \$736,204.78 plus GST \$92,025.59 totalling \$828,230.37.
3. That contract for the purchase of **one** Daihatsu Sirion 1.3 5 Door Hatch and **one** Toyota Corolla 1.8 5 Door Wagon be approved to be entered into with North Western Toyota for the total purchase price of \$40,735.84 plus GST \$5,091.98 totalling \$45,827.82.

A126

4. That contract for the purchase of **one** Mazda E2000 and **one** Ford Econovan 1.8 SWB be approved to be entered into with John Andrew Ford/Mazda for the total price of \$50,519.45 plus GST \$6,314.93 totalling \$56,834.38.
5. That the authority to enter into Contracts or purchase agreements for the vehicles specified above on behalf of Council be delegated to the Director: Corporate & Civic Services.

CARRIED

9.15 am

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

CONFIRMED AT A MEETING OF THE TENDERS
SUBCOMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....

A127