

**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY
ROAD, HENDERSON, WAITAKERE, ON MONDAY, 9 JULY 2007,
COMMENCING AT 9.30 AM**

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PART A - OPENING OF MEETING

1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairman has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

NOTE: Urgent Business need not be dealt with now and may be delayed until later in the meeting.



3 CONFIRMATION OF MINUTES

Meeting Minutes - Monday, 11 June 2007

RECOMMENDATION

That the minutes of the Meeting of the Finance and Operational Performance Committee held on Monday, 11 June 2007, as circulated, be taken as read and now be confirmed.



PART B - LEGAL AND CONSTITUTIONAL

AFFIXATION OF COMMON SEAL

EXECUTION OF DOCUMENTS: 5 to 29 June 2007

Nº	NAME	PARTICULARS
4162	WCC - WJ Norton	Memorandum of Encumbrance - CT.NA465/49 - 5 Warner Park Avenue, Laingholm
4163	WCC - BT Mahoney, JA Sabich & Citylaw Trustees Ltd	Drainage easement in gross - CT.335265 - 22 Netherlands Avenue, Kelston - RMA 20051877
4164	WCC - Rayner Trustee Ltd	Memorandum of Encumbrance - CT.NA859/283 - Lot 57 Piha Road, Piha (Part of subdivision of 66 Rayner Road)
4165	WCC - Sapich Brothers Ltd	Fencing Agreement - CTs 329556 and 329557 - 150 Forest Hill Road, Henderson - RMA 200681
4166	WCC - Sapich Brothers Ltd	Part Cancellation of Consent Notice - CT.329557 - 150 Forest Hill Road, Henderson - RMA 200681
4167	WCC - Shelter Homes Ltd	Stormwater Drainage easement in gross - CT.338777 - 24 Northall Road, New Lynn - RMA 2006-1498
4168	WCC - Shelter Homes Ltd	Fencing Agreement - CT.338777 - 24 Northall Road, New Lynn - RMA 2006-1498
4169	WCC - Waitakere Citizens Advice Bureau Inc	2007/2008 Funding Agreement
4170	WCC - Unitec Institute of Technology	Right-of-Way easement in gross over Area marked "A" on DP 372929 - Subdivision - Trading Place/Ratanui Street - CT.294912
4171	WCC - Waitakere Properties Ltd	Right-of-Way easement in gross over Areas marked "B", "C" and "F" on DP 372929 - Subdivision - Trading Place/Ratanui Street - CT.294913
4172	WCC - Telstraclear Ltd	Transfer instrument re: underground telecoms easement over Areas marked "B", "C", "D" and "F" on DP 372929 Subdivision - Trading Place/Ratanui Street
4173	WCC - Vector Ltd (United Networks Ltd)	Transfer instrument - underground gas easement over Areas marked "B", "E" and "F" on DP 372929 - Subdivision Trading Place/Ratanui Street
4174	WCC - WCC	Underground electricity and telecoms easements over Areas marked "G" and "H" on DP 372929 - Subdivision Trading Place/Ratanui Street - CTs.294912 and 294913
4175	WCC - Unitec Institute of Technology	Transfer of Lot 1 DP 372929 - CT.294912 - Subdivision Trading Place/Ratanui Street

Nº	NAME	PARTICULARS
4176	WCC - Rayner Trustee Ltd (Byers)	Drainage easement in gross - CTs.158727 to 158730 inclusive - 49 & 51 Piha Road and 66 Rayner Road, Piha - RMA 20041515
4177	WCC - Rayner Trustee Ltd (Byers)	Fencing Agreement - CTs.158722 and 158723 - 49 & 51 Piha Road and 66 Rayner Road, Piha – RMA 20041515
4178	WCC - YK & G Sharma	Stormwater Drainage easement in gross - CT.337440 - 68 & 68A Portage Road, New Lynn - SPW 22975
4179	WCC - C Zheng & Q Chen	Drainage easement in gross - CTs.308291 to 308312 inclusive - Areas “A”, “BS”, “BX” and “C” on DP 372663 - 89 Rangeview Road, Sunnyvale - RMA20040351 (as varied by RMA 20042506 and 20051928) and RMA 20060182
4180	WCC - C Zheng & Q Chen	Water Supply easement in gross - CTs.308291 to 308312 inclusive - Areas “A”, “C”, “D”, “F”, “GAB”, “GO”, “GL” and “AC” on DP 372663 - 89 Rangeview Road, Sunnyvale - RMA20040351 (as varied by RMA 20042506 and 20051928) and RMA 20060182
4181	WCC - C Zheng & Q Chen	Fencing Agreement - CTs.308291 to 308312 inclusive - 89 Rangeview Road, Sunnyvale
4182	WCC - BD Burfield & KM Trelewsky	Deed of Waiver - s.40 Public Works Act - 31 Henderson Valley Road, Resolution 217/2007
4183	WCC - Waitakere Properties Ltd	Declaration of Trust - 83B Godley Road, Green Bay - NA3C/726 - resolution 655/2007
4184	WCC - Waitakere Properties Ltd	Memorandum of Transfer - 83B Godley Road, Green Bay - NA3C/726 - resolution 655/2007
4185	WCC - H Cross	Drainage easement in gross - CT.318985 - 735 Swanson Road - SPW 22682
4186	WCC - Kevin William Moir	Warrant of Appointment & Evidence of Identity - No.WCC349
4187	WCC - Waitakere Properties Ltd	Declaration of Trust - Lot 1 DP 317419 - Hobsonville - Identifier 68319 - resolution 1112/2007
4188	WCC - Waitakere Properties Ltd	Memorandum of Transfer - Lot 1 DP 317419 - Hobsonville - Identifier 68319 - resolution 1112/2007
4189	WCC - H Singh & R Thind	Release of Uncompleted Works & Maintenance Bond No.6925112.3 - CT.218919 - 62 & 62A Glendene Avenue - SPW 22321

Nº	NAME	PARTICULARS
4190	WCC - Neil Construction Ltd	Drainage easement in gross - CTs.282460, 282461, 282472, 282481 to 282485 inclusive - 45 Lake Panorama Drive, Henderson Stage 6 - SPW 21284
4191	WCC - Neil Construction Ltd	Fencing Agreement - CTs.282450, 282464 and 282465, 282467 to 282470 - 45 Lake Panorama Drive, Henderson Stage 6 - SPW 21284
4192	WCC - AW Brunt & J Patel	Fencing Agreement - CT.298640 - 170 Henderson Valley Road - RMA 20052196

RECOMMENDATIONS

1. That the Affixation of Common Seal report be received.
2. That the action taken in affixing the Common Seal on the documents as set out in the agenda report be adopted.

Report prepared by: Yvonne Donaldson, Team Leader: Legal Services.



PART C - FINANCE

4 OPERATING AND CAPITAL EXPENDITURE SUMMARIES

PURPOSE OF THE REPORT

The purpose of this report is to inform the Finance and Operational Performance Committee as to the level of operating and capital expenditure to date by unit compared to budget.

BACKGROUND

Through the Long Term Council Community Plan process, Council approves operating and capital expenditure. Council follows good practice for procurement of goods and services and ensures that funding has been provided from appropriate sources.

ISSUES

A1 This report covers expenditure for the eleven months to 31 May 2007. The financial summaries are attached at page A1.

If any further information is required in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

The item for Auckland Regional Council Rates is greater than the budget, because the budget was based on the 2005/2006 figure. Since then, Council has acquired additional properties and the Auckland Regional Council rates on these, coupled with the increase in their business differential, have resulted in this item being over budget. Overall, external levies are expected to be within budget because of savings in other areas.

CONCLUSION

Total net operating costs for the eleven months to 31 May 2007 are within the approved operational budget.

RECOMMENDATION

That the Operating and Capital Expenditure Summaries report be received.

Report prepared by: Bob Preston, Group Manager: Financial Management.



5 STATUS OF SPECIAL FUNDS

PURPOSE OF THE REPORT

The purpose of this report is to inform the Finance and Operational Performance Committee on the status of Council's special funds.

BACKGROUND

Special funds are those funds held or designated by Council for a specific purpose or purposes. With the exception of the Auckland Regional Services Trust funds which are held in a separate bank account, the balances of these funds are used to offset Council's borrowing requirements. Interest is allocated to funds where applicable.

Special fund movements are recommended through the Long Term Council Community Plan and Annual Plan adoption process. Special funds are classified as either "Restricted Funds" or "Non-Restricted Funds". Restricted funds are those funds that have been received by Council from a third party or parties and are to be used for a specific purpose or purposes. Non-restricted funds are funds established by a Council resolution to use and set aside its own funds and also to meet a specific purpose or purposes.

ISSUES

A2 This report is separated into restricted and non-restricted funds. The balances and summary transactions for the eleven months ended 31 May 2007 are attached at page A2.

If any further information is required in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

CONCLUSION

Special funds are being held or designated for a specific purpose or purposes. The fund balances have been reported as required.

RECOMMENDATION

That the Status of Special Funds report be received.

Report prepared by: Bob Preston, Group Manager: Financial Management.



6 **BORROWING AND INVESTMENT REPORT**

PURPOSE OF THE REPORT

The purpose of this report is to provide an update to the Finance and Operational Performance Committee on the estimated borrowing and investment activity for May 2007.

BACKGROUND

Waitakere City Council enters into treasury-related financial contracts in the ordinary course of its business. It is the role of Council's Funds Management section to manage such contracts and the impact that they have on the organisation. All funds management transactions are governed by the Liability Management and Investment Policy, prepared in compliance with the Local Government Act 2002. As a requirement of that Policy, this report informs the Committee on the current and future movements of Council's debt and cash investments and provides a general commentary of financial market conditions.

A3-A8

The relevant portfolio and graphs reflect the estimated position as at 31 May 2007 and are attached at pages A3 to A8.

ISSUES

Council's Funds Management function actively manages a large portfolio of various debt and investment instruments. The benefit of borrowing is that it enables Council to carry out the projects identified in the Annual Plan and Long Term Council Community Plan, while spreading the costs for those projects over time to recognise the future benefits. Borrowing funds therefore assist Council with its entire loans-funded strategic initiatives. The Liability Management and Investment Policy requires that a report detailing the management of the portfolio be presented to the Finance and Operational Performance Committee on a regular basis. The report must include information on the following subjects:

- Cash/Debt position;
- Forecasted borrowing profile;
- Interest rate profile;
- Risk management;
- Material transactions; and
- Market commentary.

This report addresses the requirement of the Policy and may include other information that is relevant to the Funds Management function.

FINANCIAL IMPLICATIONS

The active management of the treasury portfolio seeks to minimise Council's borrowing costs and maximise investment returns of liquid assets. The Funds Management function is also charged with seeking investors, thus ensuring that there is sufficient liquidity available for the Council to continue its work programme. New Zealand financial markets are significantly volatile and therefore interest rate risk management is a key responsibility of the Funds Management function. Detailed financial information included within this report is intended to give assurance of the prudent management of Council's portfolio.

Council maintains Standard and Poor's Credit Ratings of A-1 short term, and A+ long term (stable).

ESTIMATED SUMMARY OF BORROWING AND INVESTMENT MOVEMENTS TO MAY 2007

Council's estimated gross term debt position has increased by \$13.283 million since 31 April 2007, with an estimated closing balance at May 2007 month end of \$285.390 million.

SIGNIFICANT FUNDING TRANSACTIONS ENTERED INTO DURING MAY 2007

No significant funding transactions entered into during May 2007.

FINANCIAL MARKET COMMENTARY

Market Overview

The Reserve Bank of New Zealand increased the Official Cash Rate on 7 June 2007 from 7.75% to 8.00%. In the period since the increase in the interest rate, the Reserve Bank has also intervened twice in the foreign currency market by selling New Zealand dollars in an effort to decrease its value. The intervention was successful for a short period, though the New Zealand dollar has now strengthened to levels not seen in decades.

New Zealand 90-day bank bills have traded at above 8.30% for the past three weeks, likewise one-year and two-year swap interest rates are trading in the 8.40% and 8.30% ranges respectively, implying that the market's expectation is that interest rates are not going to fall soon. Ten-year swap rates are currently trading at approximately 7.60%. The Reserve Bank of New Zealand has not ruled out the possibility of further increases in the Official Cash Rate, with their next opportunity being 26 July 2007. Economic data released in the past month has begun to show a cooling trend in economic growth, but this has been offset, as identified by the Monetary Policy Statement, by increased fiscal stimulus and record dairy commodity prices.

Up Coming Dates

26 July 2007 Official Cash Rate Announcement

CONCLUSION

All transactions covered by this report have complied with the requirements of Council's Liability Management and Investment Policy.

RECOMMENDATION

That the Borrowing and Investment Report be received.

Report prepared by: Bruce Wilkin, Treasury Manager.



7 PAYMENTS FOR APPROVAL

This information was unavailable at the time of printing this Agenda and a Supplement will be circulated separately.



PART D - GENERAL

8 WASTE MINIMISATION LEGISLATION UPDATE REPORT

PURPOSE OF THE REPORT

The purpose of this report is to provide the Finance and Operational Performance Committee with an update of the progress made with respect to the introduction of specific waste minimisation legislation.

BACKGROUND

In 2002, Waitakere City Council adopted the platform of Zero Waste as one of the City's nine strategic platforms. The Local Government Act 2002 (the Act), requires councils to design and introduce a Waste Management Plan that sets out initiatives and direction to meet their objectives.

In undertaking this work, Council officers have reiterated the difficulties of waste reduction in the absence of any specific enabling legislation. Council has relied on the provisions of the Act to introduce, amongst other things, specific waste bylaws to assist in meeting Council's objectives.

The Waitakere City Council Bylaw 30, 1999, was introduced prior to our formally adopting Council's Waste Management Plan, but gave Council the ability to licence waste operators in the kerbside collection of waste.

Whilst understanding the disadvantages of working in isolation, Waitakere successfully sought agreement with both North Shore City, and Rodney District Councils to pursue a common approach to waste reduction initiatives, including a common bylaw which included waste operator licensing and provisions for a waste disposal levy. This Waitakere City Council Waste Bylaw was adopted by Council in July 2005.

The provisions of this bylaw, relating to the waste levy, were successfully challenged in the High Court by Waste Management New Zealand Limited and Carter Holt Harvey, both key members of the waste industry. In April 2006, Justice Asher ruled that parts of the bylaw concerning councils' ability to impose a waste levy were ultra vires. This High Court decision was contrary to advice Council had received from central government agencies over the ability of councils to introduce such a bylaw. Carter Holt Harvey also appealed the part of the judgment that determined that privately-collected recyclable waste from household or commercial premises should be governed by councils' waste bylaw and licensing regime. The appeal was heard on 13 June 2007 and a decision is still pending.

This bylaw, and the subsequent High Court decision, acted as a catalyst for Central Government to consider waste specific legislation.

This proposed waste legislation is in the form of a Private Members' Bill entitled "Waste Minimisation Solids Bill" and is currently being considered by the Local Government and Environmental Select Committee (the Select Committee).

Council made two submissions to the Select Committee. The first was a joint submission agreed through a working party, including Ministry for the Environment, Local Government New Zealand (LGNZ), Private Sector representatives and officers from selected councils. The second was Waitakere City Council's own submission. There is one main point of difference relating to how the funds derived by any waste levy are to be administered and disbursed. Waitakere City Council also presented submissions orally to the Select Committee on 27 April 2007. This was followed by a supplementary joint submission with Auckland City, Rodney District, Papakura District and North Shore City Councils, on the need to further consider container deposit legislation. In addition, the Council also made an individual submission on the need for container deposit legislation.

STRATEGIC CONTEXT

In 1994, as part of our Council's Eco City principles, Waitakere adopted the 'Green print' targets that included waste reduction as a key objective. In 1996, the Local Government Act, Part 31, Amendment No.4, required councils to reduce waste. In 2002, Waitakere City Council adopted the strategic platform of Zero Waste as one of our City's nine strategic platforms. This commitment is also reflected in the Sustainable Environment community outcome.

ISSUES

In 2002, the Ministry for the Environment, in association with LGNZ, released the National Waste Strategy that set targets for waste reduction. These national targets were consistent with Waitakere objectives, but unfortunately the National Waste Strategy lacked appreciation of the very extreme circumstances that existed between regions in New Zealand, and further the National Waste Strategy did not provide any legislative power to allow councils to meet their objectives.

Specific Waste Legislation, including a Waste Levy and Extended Producer Responsibility, are key initiatives to assist in meeting Council's objectives of waste reduction. Whilst financial incentives and disincentives for waste reduction appear to be promoted as an instrument in the Local Government Act 2002, the High Court decision stated this was not the case. The Act also anticipates that councils maintain a degree of management control in solid waste landfills, which is not the case in the Auckland Region.

Auckland Region's landfills were assigned to the Local Authority Trading Enterprise (LATE), Northern Disposal Systems Limited, in 1991. This move became the first step in the region's landfill privatisation. This LATE is now in private ownership, and as a result the objectives of privately-owned profit-driven landfills and the 1996 statutory obligations of the Local Government Act Amendment No.4 for councils to reduce waste, are in conflict.

Currently there are various waste reduction initiatives that do not meet the thresholds of financial sustainability for introduction by a council. One of the reasons for this is the 'competitively structured cost' of disposing in privately-owned landfills within the Auckland Region.

It is proposed that any waste levy applied to disposal will be in the order of \$10 to \$30 per tonne. A waste levy of this scale alone is not likely to act as a disincentive. The benefit of the waste levy is how the spending of the proceeds benefits waste reduction.

Council's submission is that at least \$10 to \$15 per tonne of waste is apportioned directly to councils to financially support waste minimisation initiatives within their Waste Management Plans. The balance should be made available in the form of a contestable fund that may be applied for by anyone commissioning waste reduction infrastructure.

The main point of difference has been whether the funds received are administered at a national or regional level. Due to the very different circumstances that exist regionally, Council's submission has been for regional administration. Council has further submitted that each region must have a Regional Waste Plan, demonstrating the commonalities between each member council's Waste Management Plan. This would benefit any common initiative, highlighted in any Regional Waste Plan, to be given preferential consideration for waste levy contestable fund applications.

Mayor Bob Harvey and Council officers have had extensive involvement in the pursuit of obtaining specific waste legislation currently before parliament. The following is a timeline that demonstrates events and key milestones:

TIMELINE FOR WASTE LEGISLATION	
1974	<ul style="list-style-type: none"> Local Government Act (LGA) 1974
1970-90s	<ul style="list-style-type: none"> Increasing privatisation of landfills
1991	<ul style="list-style-type: none"> Resource Management Act
1996	<ul style="list-style-type: none"> Local Government Amendment (No.4) Act Hazardous Substances and New Organisms Act General Election
1998	<ul style="list-style-type: none"> Christchurch City Council imposes Waste Levy
1999	<ul style="list-style-type: none"> Waitakere City Council (WCC) bylaw 30-1999 WCC advocates shared services for waste management in the Auckland Region General Election Ministry of the Environment (MfE) supports economic instruments for waste reduction
2000	<ul style="list-style-type: none"> Waste Minimisation and Management Working Group established MfE commissions levy study by New Zealand Economic Institute of Research
2001	<ul style="list-style-type: none"> Treasury Tax Review
2002	<ul style="list-style-type: none"> New Zealand Waste Strategy released (NZWS) Local Government Act 2002 Parliamentary Commissioner for the Environment reports on economic instruments Local Government New Zealand Metro Sector forms Towards Zero Waste Working Group MfE waste levy discussion document terminated Waitakere and North Shore discuss strategies for waste minimisation on a national level and agree to share waste management services General Election MfE invites Metro Sector Group of councils to submit remit to Local Government Authority Reform Bill
2003	<ul style="list-style-type: none"> First review of NZWS
2004	<ul style="list-style-type: none"> Waitakere, North Shore, and Rodney District Councils commence shared waste management services North Sector Group (NSG) of councils draft waste bylaw WCC and North Shore City Council design Remit and North Shore City submit Remit to Local Government New Zealand Green Party propose Waste Minimisation and Management Bill Managing Director of Waste Management threatens to block levy
2005	<ul style="list-style-type: none"> Waitakere and North Shore City Mayors write to LGNZ for not progressing remit Local Government Reform Bill (LGRB) planning. WCC make submission for waste levies to LGRB to remove doubt Waitakere and North Shore Cities commission shared waste collection contract Waitakere and North Shore Cities pass new waste bylaw: levies included Waitakere and North Shore Cities introduce wheelie bins for recycling

TIMELINE FOR WASTE LEGISLATION	
	<ul style="list-style-type: none"> • Minister of Local Government applauds NSG's joint waste bylaw • Regional waste levy proposed at Auckland CEOs' Forum • Waste Management and Carter Holt Harvey Challenge Levy • NSG meet with MfE on levy • General Election
2006	<ul style="list-style-type: none"> • High Court quashes waste levies • MfE stalls remit and disagrees with WCC submission to LGRB • Metro Sector LGNZ meets with Minister LG, Mark Burton. WCC submits dilemma of all territorial authorities of High Court decision. Minister promises immediate action • LGNZ and MfE commissions' rapid review of levy issues and high court decision • Metro Sector Group proposes new waste working group • New waste working group considers levy • MfE and LGNZ meet with industry to seek common ground on levy • MfE, LGNZ working group submit draft proposed waste levy to MfE Minister Benson-Pope. • Minister Benson-Pope meet with Metro Sector working party and commits to finding legislative vehicle to deliver waste levies • Central Government forum presents working group party submission • LGNZ provides feedback to MfE on waste levies • Green Party's private member's bill on waste selected from Private Members Bill ballot • Councils and industry members coordinate submissions to Green Party's Waste Bill • Parliamentary Commissioner for the Environment releases report on economic instruments for waste management • WCC propose a regional waste strategy to other Auckland territorial authorities to be consistent with submission
2007	<ul style="list-style-type: none"> • Prime Minister's address to parliament supports levy • Waitakere submits regional waste strategy concept for other territorial authorities consideration • Working group presents waste levy proposal to select committee • Waitakere submits waste levy proposal to select committee • Select committee requests councils' submission on Container Deposit Legislation • Labour Cabinet adopt Waste bill as Government policy.

A9-A30

Further expansion of these milestones and events are attached at pages A9 to A30.

Advice has been received that the Select Committee has been granted an extension to its reporting back date to parliament. The report back date is now 31 October 2007. It has been indicated that the Select Committee may seek further comment on a redraft of the Waste Minimisation Solids Bill in August and September 2007. Whether this will be a general call for submissions, or an opportunity for those who have already made submissions on the original Bill, is not yet known but any further submissions would inform the reporting back by the Select Committee in October 2007.

RESOURCES

The ongoing work is resourced and funded within current Council budgets.

CONCLUSION

The development of national waste legislation, and in particular the introduction of a waste disposal levy, has been an extensive campaign by Waitakere. The current Waste Minimisation and Solids Bill that is before the Select Committee will now not be reported back to parliament until 31 October 2007. Council may make further submissions, if requested by the Select Committee. Progress on the Waste Minimisation and Solids Bill and Council's ongoing involvement will be reported back to the Committee at a later date.

RECOMMENDATION

That the Waste Minimisation Legislation Update Report be received.

Report prepared by: Jon Roscoe and Lesley Jenkins.



9 WATERCARE SERVICES LIMITED FINAL STATEMENT OF CORPORATE INTENT 2007

PURPOSE OF THE REPORT

The purpose of this report is to present the Watercare Services Limited Final Statement of Corporate Intent 2007 for the Finance and Operational Performance Committee's approval.

BACKGROUND

Watercare Services Limited (Watercare) is the bulk water and wastewater service provider for much of the Auckland Region. Its main responsibilities are the collection, treatment and supply of drinking water, and the collection, treatment and disposal of bulk wastewater. Watercare is classified as a "Council organisation" and is governed by specific legislative provisions set out in the Local Government Acts 1974 and 2002.

Watercare's primary customers are six water and wastewater retailers, five of which (including EcoWater) are owned by or are part of the local Councils. United Water, which services the Papakura District, is a franchised operation.

The six local Councils are Watercare's shareholders. The Councils have appointed a Shareholders' Representative Group (SRG) which appoints the Board of Watercare, provides input to Watercare's Statement of Corporate Intent, and monitors the performance of the Board against the Statement of Corporate Intent. Watercare negotiates the Statement of Corporate Intent with the Shareholders' Representative Group each year. The statement is effectively the Board's charter for running the Company on the shareholders' behalf. It lays out the activities to be undertaken by Watercare and sets specific environmental, social and economic objectives for the Company for a three-year period. It also sets performance targets that will be used to measure the Company's performance.

Waitakere City Council has two representatives on the Watercare Shareholders; Representative Group: Councillors Clews and Lawley. An Officers' Working Group, with representatives from the shareholder Territorial Authorities, supports the SRG. The Local Network Operators Group (Auckland Water Group), comprising the six retailers, often provides advice to the Officers, Working Group on matters of common interest.

Council's Finance and Operational Performance Committee considered Watercare's draft Statement of Corporate Intent at its meeting on the 16 April 2007, and passed the following resolution:

- *“That the Watercare Services Limited Draft Statement of Corporate Intent 2007 report be received.*
- *That it be noted that Watercare Services Limited has submitted to its shareholders a draft Statement of Corporate Intent for the three year period commencing 1 July 2007 and that in general Watercare Services Limited has addressed shareholders priorities previously communicated.*
- *That clause 2.4 of the Watercare Services Limited's Statement of Corporate Intent be amended to require that the company ensures any infrastructure development supports the regional growth and planning strategies.”*

646/2007

A31-A48

The Final Statement of Corporate Intent is attached at pages A31 to A48.

STRATEGIC CONTEXT

The Council's strategic goal of sustainable management of the three waters (water supply, wastewater and stormwater) is integral to its relationship with Watercare and to its role on the Shareholders' Representative Group.

The Council has two major roles in connection with Watercare, one as shareholder/owner, the other as customer. The extent to which this Council can add strategic input to the governance of Watercare, through its ownership and governance role, heavily influences the extent to which it can supply retail services to the City's ratepayers that meet the Council's own strategic goals, and at the most efficient price possible.

ISSUES

Watercare Services Limited has amended clause 2.4 of its Statement of Corporate Intent to reflect the change requested by Council.

The final Watercare Services Limited Statement of Corporate Intent for the three-year period commencing 1 July 2007 is presented to Council for approval.

CONCLUSION

In accordance with the Shareholders' Agreement, the Shareholders' Representative Group is now seeking the approval of the Final Statement of Corporate Intent from the Shareholding Councils.

As the resolution was passed unanimously by the Shareholders' Representative Group, the parties are bound to implement the Shareholders' Representative Group resolution under clause 11 of the Shareholders' Agreement.

RECOMMENDATIONS

1. That the Watercare Services Limited Final Statement of Corporate Intent 2007 report be received.
2. That the Watercare Services Limited Final Statement of Corporate Intent for the three-year period commencing 1 July 2007 be approved.

Report prepared by: Kingsha Changwai, Manager: Quality Assurance.



PART E - REPORTS FROM THE SUBCOMMITTEES

10 COMMUNITY SPORT FUND ALLOCATION SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETING HELD ON DAY, DATE

A COMMUNITY SPORT CLUB DEVELOPMENT FUND UPDATE 2007

Your Subcommittee recommends:

That the deferral of the loan principal and interest repayments from the Waitakere City Racquets Sports Trust for one year (from November 2006 to October 2007) be extended to 1 February 2008.

B COMMUNITY SPORT CLUB DEVELOPMENT AND LOANS FUND ALLOCATION 2007

Your Subcommittee recommends:

1. That the grants from the Community Sport Club Development and Loans Fund, as set out below, be approved.

Group Name	Purpose Of Grant	Amount Allocated
Waitemata Seagulls Rugby League Football Club Incorporated	Strategic planning, financial planning, governance development and feasibility studies	\$6,750
Maximus Sports Teams	The purchase of sports equipment	Ineligible
Squash Auckland Incorporated	Consultant fees for strategic planning (retrospective)	Ineligible
Piha Surf Life Saving Club Incorporated	Review of the club constitution and governance training	\$1,000
Glen Eden Tennis Club	Consultancy fees for strategic planning	\$9,420
Glenora Rugby League Football Club	Strategic planning and implementation	\$4,000
Extreme Trampoline	Feasibility study for a multi-sports gymnasium	-

Group Name	Purpose Of Grant	Amount Allocated
Starling Park Sports Club	Architectural plans and quantity surveying	\$21,850
Total		\$43,020

2. That the loan principal and interest repayments from the Glen Eden Tennis Club be deferred retrospectively from April 2007 until 28 February 2008, whilst the Senior Community Liaison Officer works with the Club to assist in financial matters.

OTHER MATTERS CONSIDERED

A49-A51

Your Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meeting is attached at pages A49 to A51.

The Subcommittee Recommends:

That the Meeting report of the Community Sport Fund Allocation Subcommittee held on Thursday, 21 June 2007, be received.

JP Lawley
CHAIRMAN



11 EMERGENCY SERVICES SPECIAL COMMITTEE

THE SPECIAL COMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETING HELD ON TUESDAY, 12 JUNE 2007

MATTERS CONSIDERED

A52-A53

The Special Committee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meeting is attached at pages A52 to A53.

The Special Committee Recommends:

That the Meeting report of the Emergency Services Special Committee held on Tuesday, 12 June 2007 be received.

DQ Battersby, JP
CHAIRMAN



12 **TENDERS SUBCOMMITTEE**

**THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETINGS
HELD ON FRIDAY, 8 JUNE 2007 AND FRIDAY, 22 JUNE 2007**

MATTERS CONSIDERED

A54-A67

The Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meetings are attached at pages A54 to A67.

The Subcommittee Recommends:

That the Meeting reports of the Tenders Subcommittee held on Friday, 8 June 2007 and Friday, 22 June 2007 be received.

JM Clews, QSO, JP

CHAIRMAN

