

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

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The primary role of the Board of Directors is to:

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

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

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

6. Business Performance Targets and Other Performance Measures

GOAL	TO BE MEASURED BY
<p>Commercial Return – WPL</p> <p>To sustain the economic base of the Company to ensure it is able to carry out the required functions for its shareholder.</p>	<ul style="list-style-type: none"> ➤ To achieve budgeted revenue and costs. ➤ The Net Profit After Tax (NPAT) target for company operations is to breakeven.
<p>Commercial Return – Declaration of Trust</p> <p>To ensure that each Trust Project is delivered in a manner which optimises the commercial benefit and return to Council consistent with the attainment of economic, environmental and social objectives.</p>	<ul style="list-style-type: none"> ➤ Financial returns for development projects shall be either at levels consistent with good market practice or if below this, consistent with the assessment framework detailed in Point 16 below.
<p>Governance under Declaration of Trust</p> <p>To adhere to the terms of the Declaration of Trust and any related Letter of Direction for each Trust Project undertaken.</p>	<ul style="list-style-type: none"> ➤ The objectives for each project will:- <ul style="list-style-type: none"> - be agreed with the Council concurrently with the Company accepting responsibility for control and development activities for such landholding under Declaration of Trust or be provided subsequently by approval of a concept plan or development plan prior to any significant construction expenditure being incurred, consistent with the Declaration of Trust.

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<#>Financial returns for development projects shall be consistent with the assessment framework detailed in 16 below.¶

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<#>A capital plan shall be developed consistent with the assessment framework detailed in 16 below¶¶

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

GOAL	TO BE MEASURED BY
	may reasonably be required by the Shareholder or the Council, subject to any obligation of confidentiality which may be appropriate.

7. Dividend and Distribution Policy

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

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

and with the proviso's that:

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

8. Information to be Provided to Shareholders

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

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

The following information will be made available:

- (a) An annual Statement of Intent in accordance with the Local Government Act 2002.
- (b) Quarterly reporting to Council, including the half yearly report shall be in accordance with Sect.66 of the Local Government Act and shall include any other information that the Directors deem appropriate.

- (c) An annual report in accordance with Secs 67, 68 and 69 of the Local Government Act 2002 and the reporting requirements prescribed from time to time by the Institute of Chartered Accountants of New Zealand, and any other information that the Directors deem appropriate.
- (d) Any other information required by Council, upon receipt of a written request from Council through its Chief Executive. The Local Government Act 2002 does not require the disclosure of sensitive information that may be properly withheld if a request for that information were made under the Local Government Official Information and Meetings Act 1987.
- (e) Prior written proposals as a basis for discussion and negotiation for:-
 - Any expansion of the Company's activities into new areas of business.
 - Any activity or arrangement related to property, subject to a specific Declaration of Trust, where the activity was not expressly approved by the Declaration of Trust or any Letter of Direction relating to that property, or is not consistent with any approved Concept Plan.
 - Any activity or arrangement involving the commitment of significant capital or Council resources (where "significant" equates to 50% of the value of Shareholder's Equity or for a property vested under a Declaration of Trust, 50% of the value of the developed land).

9. Statement of Accounting Policies

Reporting Entity

The Company is registered under the Companies Act 1993. The Company is a Council Controlled Trading Organisation as defined in Sec.6 of the Local Government Act 2002. The Financial Statements have been prepared in accordance with the Financial Reporting Act 1993, Companies Act 1993 and the Local Government Act 2002. The Company is fully owned by Waitakere City Holdings Limited, a 100% subsidiary of Waitakere City Council.

Measurement Basis

The financial statements have been prepared on the historical cost basis.

Goods and Services Tax (G.S.T)

The Financial Statements have been prepared on a basis exclusive of Goods and Services Tax except for Debtors and Creditors which are inclusive of G.S.T.

Going Concern

Reliance is placed on the Company being a going concern.

ACCOUNTING POLICIES

Particular accounting policies which materially affect the measurement of the

Company's surplus or deficit from operations and financial position are:-

Fixed Assets

All fixed assets are stated at cost less aggregate depreciation. Depreciation has been provided using the rates permitted by the Income Tax Act 1994.

Depreciation Rates are:

Computer Software:	48% DV
Office Equipment	14.4% - 50% DV
Vehicles	xx%

Taxation

The Income Tax expense charged against the profit for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences.

The Company uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

Financial Instruments

Waitakere Properties Limited is a party to financial instrument arrangements as part of its everyday operations. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

All financial instruments are recognised in the Statement of Financial Position. The following methods and assumptions are used to value each class of financial instrument:-

- a) **Accounts Receivable**
These are recorded at expected realisable value.

- b) **Investments**
All investments including short term deposits are recorded at the lower of cost or market value.

- c) **All Other Financial Instruments**
Other financial instruments including cash and bank and accounts payable are recognised at their fair value.

Changes in Accounting Policy

There are no changes in accounting policy.

10. Other Matters Required By The Local Government Act

Ratio of Shareholder's Funds to Total Assets

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

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

Estimate of the Commercial Value of the Company

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

Procedure for the Acquisition of an Interest in Another Organisation

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

11. Capital Structure

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

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

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

12. Risk Analysis and Management Policy

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

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

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

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

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

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

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

13. Trust Projects Funding & Accounting Structure

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

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

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

14 Development Projects – Strategic Outcomes

Development Projects shall satisfy the following strategic criteria: -

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

15 Development Projects – Assessment Criteria

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

Financial Criteria

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

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

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

Geographic Criteria

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

16 Facilitating Strategic City Objectives

The shareholder is wishes to ensure that activities of the Company facilitate strategic City objectives.

New projects for consideration are to be undertaken within two frameworks: an **assessment framework** and a working **relationship framework**. The assessment framework is to be utilised in determining whether a project "makes sense" for the company and the City to pursue and the relationship framework outlines how these projects are managed.

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

The Assessment Framework includes:-

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

The Relationship Framework includes:

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

- the Company as an advisory role in the policy and planning phases undertaken by Council thus maximising the ability to implement the objectives.

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- recognising the commercial business relationship that secures best value from both entities and enables close cooperation whilst recognising the particular roles and functions of each.
- Providing a formal reporting relationship with Council to ensure that Councillors have an opportunity to interact with the Company and provide political direction.
- Enabling the Company to act in concert with the provision by Enterprise Waitakere of a service as an economic development agency, facilitating and where appropriate undertaking development supportive of economic and strategic objectives common to Enterprise Waitakere and Council.

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17 Activities involving Public Authorities

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

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



**WAITAKERE ENTERPRISE TRUST BOARD
(Trading as Enterprise Waitakere)**

STATEMENT OF INTENT

For the three years commencing

1 July 2006

A78

From the Chairman

The Board of the Waitakere Enterprise Trust Board is pleased to present its draft 2006-2009 Statement of Intent for Council comment.

Since its inception, Enterprise Waitakere has built the confidence of Council, central government and the community as having a clear role to play in Waitakere City's sustainable economic development. Throughout this period, Enterprise Waitakere has established as a financially robust organisation, diversifying its activities and therefore income streams. In particular, the confidence in and commitment of Council to Enterprise Waitakere continues to go from strength to strength. The strength of relationship with Council is unique in New Zealand and testimony to both organisation's.

This base presents an ideal opportunity to reap the rewards in the next 10 years.

The Board of Enterprise Waitakere have considered Council's strategic priorities, the draft Outcome Statements and Priorities in the Long Term Community and Council Plan, community feedback and discussion with Council Directors, staff and Councillors to develop a compelling future for Enterprise Waitakere. This future is reflected in the 2006-2009 Statement of Intent.

The key economic challenge facing Waitakere is to increase local economic opportunity. Waitakere currently has 14% of the Auckland Region's population generating just 8% of the Region's GDP locally, much of it servicing the local population. This is a major contributing factor to 58% of the resident working population leaving the City each day to work. The need for change is made more acute by the projected population growth which risks compounding the problem.

This imperative is widely recognised. Through the LTCCP and Wellbeing Summit processes, there is clear Council and community support for economic development as a priority. Enterprise Waitakere has a clear commitment and ability to play a central role in adding value to Council to achieve sustainable economic growth in the City.



Chairman

A79

Contents

	Page:
1. Interpretation	3
2. Introduction	3
3. Nature and Scope of Activities	4
4. Objectives	4
5. Performance Targets and Measures	5
6. Governance	5
7. Accounting Policies	6
8. Financial Policies	7
9. Activities for Which the Board Seeks Compensation from Council	7
10. Risk Management	8
11. Information to be Provided to the Council	8
12. Relationship Framework	9

Schedule One: Performance Targets

A80

1. Interpretation

In this Statement of Intent unless the context otherwise requires:

- 1.1 Local Government Act: "Local Government Act" means the Local Government Act 2002;
- 1.2 Trust: "Trust" refers to the Waitakere Enterprise Trust Board trading as Enterprise Waitakere
- 1.3 Trust Deed: "Trust Deed" means the registered Trust Deed of the Waitakere Enterprise Trust Board;
- 1.4 Council: "Council" means the Waitakere City Council;
- 1.5 Statement of Intent: "Statement of Intent" means such statement as provided for in accordance with the requirements set out in section 64 of the Local Government Act 2002;
- 1.6 Directors: "Directors" means those people appointed to the Board in accordance with the Trust Deed;
- 1.7 Shareholder: "Shareholder" means the Waitakere City Council;
- 1.8 Strategic City Objectives: "Strategic City Objectives" means those economic development and economic development related objectives adopted by the Council as part of the Long Term Community and Council Plan.

2. Introduction

- 2.1 The Trust meets the definition of a Council Controlled Organisation as defined by section 6 of the Local Government Act and accordingly is required to prepare and deliver to the shareholder a completed Statement of Intent in or before 30 June each year. The content of the Statement is specified in Schedule 8 of the Local Government Act 2002.
- 2.2 The Local Government Act also provides the opportunity for the shareholder to comment on a draft of the statement of intent. The trustees will consider these comments, prior to finalisation.
- 2.3 This statement has been prepared in accordance with these requirements.

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3. Nature and Scope of Activities

- 3.1 The Trust undertakes activities to accelerate Waitakere City's sustainable economic growth and thereby contributing to the achievement of strategic City objectives

These activities include;

- Contribution to the development Council's economic development related strategies
- Advocating the economic development needs of the City
- Establishing strong alliances with partner organisations that accelerate the Waitakere's sustainable economic development
- Promoting Waitakere as business investment location and provide a key client service to new investment opportunities from inside and outside the City
- Creating an environment for and support initiatives that grow strategic industry sectors
- Growing the number and size of existing businesses
- Developing trade links
- Facilitating and delivering skill development initiatives that meet local business skill demand needs
- Facilitating youth transition to work initiatives
- Supporting community economic development initiatives

4. Objectives

- 4.1 As a Council-Controlled Organisation, the principle objectives of the Trust are stated in section 59 of the Local Government Act 2002, being:

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

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4.2 In addition, the Trust has set the following organisational objectives;

- Grow local economic opportunity
- Grow the number, size, productivity and profitability of enterprises
- Grow strategic sectors and places
- Grow the value of investment and exports
- Grow the economic participation of youth, maori, pacific and migrant communities
- Grow the awareness, understanding and organisational effectiveness of Enterprise Waitakere

5. Performance Targets and Measures

A table of performance targets and measures is attached in Schedule One.

6. Governance

6.1 All Directors are appointed by Council in accordance with the provisions of the Trust Deed and Council policy pursuant to section 57 of Local Government Act 2002.

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

6.3 The primary role of the board of directors is to;

- Allocate capital and resources to enable the Trust to achieve its goals in a manner that best serves the interests of the shareholder as a whole.
- Effectively represent and promote the interests of the shareholder with a view to adding long-term value.
- Direct and supervise the management of the business affairs of the Trust including:
- Establishing goals and strategies that effectively implement and promote the long term strategic direction of Council
- Establishing policies for strengthening the performance of the Trust
- Monitoring performance of management
- Appointing the CEO
- Deciding whatever steps are necessary to protect the Trust's financial position

A63

- Ensuring that financial statements are true and fair and conform to law
- Ensuring the Trust adheres to high standards of ethics and corporate behaviour
- Ensuring the Trust has appropriate risk management/regulatory compliance policies in place.
- Satisfy itself that the Trust is achieving it's goals.
- Familiarise itself with issues of concern to the shareholder and keep the shareholder informed on a timely basis through quarterly reporting and using the principle of no surprises.
- Evaluate economic, political, social and legal issues that may impact on the Trust.

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

7. Accounting Policies

- 7.1 The Trust will comply with the Financial Reporting standards and statements of standard accounting practice of the Institute of Chartered Accountants of New Zealand, and generally accepted accounting principles.
- 7.2 Reliance is placed on the Trust being a going concern. The Waitakere City Council through its annual plan and budgeting process sets and approves the Trust's annual compensation for services provided. Continuity of the grant has been established through a "3 Year Funding and Service Agreement".
- 7.3 The measurement base adopted is that of historical cost.
- 7.4 Particular accounting policies which materially affect the measurement of the Trusts surplus or deficit from operations and financial position are:-
- Revenue is recognised when earned. Government Grants are recognised when conditions relating to their eligibility have been fulfilled.
 - All fixed assets are valued at historical cost. Depreciation is provided on a straight line basis at rates calculated to allocate the assets cost, less estimated residual value over its estimated useful life.
 - Depreciation rates are:

Computer Hardware	50%
Computer Software	20%
Office Equipment	20%
Office Fittings	20%

A84

- The financial statements have been prepared on a basis exclusive of Goods and Services Tax. All items in the statement of financial position are stated net of Goods and Services Tax with the exception of receivables and payables which include Goods and Services Tax.
- These are recorded at expected realisable value.
- Provision is made in respect of the Board's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

7.5 There are no changes in Accounting Policies. The Policies are consistent with those adopted in the previous period

8. Financial Policies

- 8.1 The Trust is a non-profit entity and, for financial prudence, seeks to operate at a surplus of \$0-\$50 000 per annum.
- 8.2 All surpluses generated from non-Council funded programmes are applied to advance the achievement of the strategic City objectives
- 8.3 The Trust intends to build a capital reserve of \$500 000 by 30 June 2009. This is required as working capital, to moderate extraordinary negative financial impacts and to allow the Board to invest in establishing new programmes and activities that advance the achievement of the strategic City objectives
- 8.4 In order for the Trust to meet it's objectives, it may be in its interest to initiate transactions which bring about a memorandum of understanding, partnership or joint venture with existing organisations. Any decision to initiate such transactions will be subject to approval by the Board of Trustees and the procession of the Board's Deed of Trust. Shareholder approval is required where commitments exceed \$500,000.
- 8.5 As a not-for-profit Charitable Trust, the matter of the ratio of shareholders funds to total assets does not apply

9. Activities for Which the Board Seeks Compensation from Council

- 9.1 Every three years, commencing 1 July 2003, the Trust will prepare a proposal for base funding sought for the subsequent three years. The activities identified in this proposal will be consistent with the Trust's Statement of Intent. The proposal will be considered under Council's normal budgeting processes. The resulting agreed compensation will be articulated through a three year funding agreement.
- 9.2 Specific activities to be undertaken in each year of the three year funding agreement will be articulated in an annual service agreement.
- 9.3 Any additional activity to that compensated for in the three year agreement will require additional compensation agreed by the Trust and Council.

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10. Risk Management

- 10.1 The framework for managing and reporting on risk will follow the current standard AS/NZS 4360: 1999.
- 10.2 Each year the Board will ensure there is a formal evaluation of the trust's exposure to risk and satisfy itself that appropriate strategies are in place to manage or eliminate risk.
- 10.3 In assessing and managing risks it is recognised that the Board is risk adverse and consequently the Board will manage the Trust to minimise risk and the potential for losses.
- 10.4 The management mitigation/ control of risk will be undertaken through:-
- Detailed financial feasibility studies
 - Service selection based in comprehensive research and informed opinion.
 - Knowledge of business and political cycles
 - Cash flow management
 - Debt management where appropriate
 - Risk sharing where appropriate
 - Employment of expert management advice
 - Appointment of skilled and experience Trustees
 - Establishment of a risk management policy and monitoring procedures
- 10.5 Additional business risks in the form of Trust continuity, statutory compliance, financial management and control, professional indemnity etc will be managed in the normal manner and in accordance with the risk management policy.

11. Information to be Provided to the Council

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

A86

11.2 The following information will be made available to the shareholder:

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

12. Relationship Framework

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

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

Mr Bryan Mogridge
Chairman

A87

Date

SCHEDULE ONE

Performance Targets 2006/7 to 2008/9

Objective	Activity	Performance sought by 30 June 2009	Performance sought by 30 June 2007
<p>1. Grow local economic opportunity</p> <p align="center">H88</p>	<p>In partnership with Council, advocate the needs of the Waitakere City economy and forge the necessary strategic alliances to realise them</p>	<p>>90% satisfaction of Enterprise Waitakere's advocacy performance by Council partners</p>	<p>>85% satisfaction of Enterprise Waitakere's advocacy performance by Council partners through a contribution to:</p> <ul style="list-style-type: none"> • Long Term Council and Community Plan • Economic Development Coordination Team • Regional Business Location Strategy work • Participation in the Auckland Regional Economic Development Agencies network and the Economic Development Agencies of New Zealand

Objective	Activity	Performance sought by 30 June 2009	Performance sought by 30 June 2007
2. Grow the number, size, productivity and profitability of enterprises	Support the establishment and growth of local businesses through the provision of quality information, advice and training	Business support programmes service 1500 businesses per annum with >90% satisfaction by respondent clients	Support to 1200 businesses with >90% satisfaction by respondent clients 90% of Waitakere Employment and Skills project initiatives implemented
	Run an annual Business Awards	125 entries 600 attend Gala Awards Event \$100,000 of media coverage	100 entries 550 attend Gala Awards Event \$85,000 of media coverage for the business awards
3. Grow strategic sectors and places A89	Foster the development of high growth potential sectors in which Waitakere has a current or potential competitive advantage Support Council's town centre development programme	Development programmes for 5 industry sectors established and implemented	Development programmes for 4 industry sectors established and implemented >90% overall satisfaction of support to Council's town centre development programme by Council's town centre staff

Objective	Activity	Performance sought by 30 June 2009	Performance sought by 30 June 2007
<p>4. Grow the value of trade and investment</p>	<p>Leverage Waitakere's sister city relationships to drive business growth</p> <p>Attract new investment to Waitakere and grow the value of current investors</p>	<p>15 businesses or sector organisations have a trade relationship with Waitakere sister city's</p> <p>60 investment clients facilitated per annum with >90% satisfaction with the service from respondent clients</p>	<p>5 businesses or sector organisations participate in a trade mission to Ningbo, including at least 2 new from 2005</p> <p>40 investment clients facilitated with >85% satisfaction with the service from respondent clients</p> <p>Establish key client relationships with 50 of Waitakere's large businesses</p>

A90

Objective	Activity	Performance sought by 30 June 2009	Performance sought by 30 June 2007
<p>6. Grow the awareness, understanding and organisational effectiveness of Enterprise Waitakere.</p> <p style="text-align: center;">APD</p>	<p>Implement the organisation's Communication Strategy</p> <p>Establish Enterprise Waitakere as an employer of choice</p> <p>Invest in technology that enables employees to exceed performance targets</p> <p>Establish professional office accommodation</p> <p>Implement Quality Management Systems</p>	<p>Increase awareness of Enterprise Waitakere and its services by 33% above 2005 levels</p> <p>Employee retention rate exceeds 85% for Enterprise Waitakere and 75% for Trainsmart</p> <p>Staff satisfaction with technology provided exceeds 90%</p> <p>Staff satisfaction with office accommodation meeting business needs exceed 90%</p> <p>Quality Management Systems continuously improved and updated</p>	<p>Increase awareness of Enterprise Waitakere and its services by 10% above 2005 levels</p> <p>Employee retention rate exceeds 85% for Enterprise Waitakere and 75% for Trainsmart</p> <p>Staff satisfaction with technology provided exceeds 90%</p> <p>Staff satisfaction with office accommodation meeting business needs exceeds 90%</p> <p>Quality Management Systems continuously improved and updated</p>

ATTACHMENT A

CATEGORY	COVER	LIMITS ON ANY ONE CLAIM	CLAIM EXCESS	PREMIUM (EXC GST) 2005/2005
MATERIAL DAMAGE Civic Assurance Sum Insured: \$298,456,288 includes the Trusts Stadium & Glen Eden Playhouse Theatre buildings. (\$265,132,788 excludes said non council owned buildings) At 31 August 2005	Physical loss or damage to property	Reinstatement value (unless indemnity value only specified)	\$5,000	\$440,563 includes the Trusts Stadium and Playhouse Theatre (\$399,619 excludes these buildings)
MOTOR VEHICLE Civic Assurance Fleet Value: \$3,364,900 subject to updated fleet valuation	1. Loss or damage to insured vehicles 2. Liabilities to other parties for loss, damage or injury resulting from motor vehicle accidents	1. replacement or market value 2. \$2,000,000	\$10,000	\$35,666 before or \$26,759 after burning cost adjustment (before adjustment for updated fleet value)
BUSINESS INTERRUPTION Civic Assurance Sum Insured: \$26,705,700 - under review A93	Loss of revenue or rental income: Solid Waste, Vehicle Testing Station, Animal Welfare, Aquatic & Recreation Centre, Cemetery/Crematorium, Libraries, Rental property	Gross revenue \$19,078,100 Rental income \$1,487,000 Increased costs of working \$5,250,000 (based on 02/03 revenue info, will be updated when the 03/04 actual revenue info is received)	Nil	\$37,091 subject to adjustment based on updated info
FIDELITY GUARANTEE Civic Assurance	Theft of money or goods by employee	\$2,000,000	\$10,000	\$26,500
TRAVEL ACE Insurance	Employees and Councillors travelling overseas on business (including spouses and families)	Accidental death \$150,000 Medical etc expenses \$2,000,000 Personal liability \$1,000,000	\$100	\$768
MACHINERY BREAKDOWN American International Group	Cogeneration Plant at Aquatic Centre (under review)	Machinery breakdown \$300,000 Increased costs of working \$15,000	\$2,500	\$1,768
PUBLIC LIABILITY/ PROFESSIONAL INDEMNITY NZ Mutual Liability RiskPool	Third party claims arising in negligence, nuisance and breach of professional duty	(\$10,000,000 in the aggregate per annum) \$5,000,000	\$10,000 public liability \$15,000 professional indemnity	\$209,759

ATTACHMENT B



Local Government Mutual Funds Trustee Ltd

ALL ID

D Griffin
D S Sheard

653218

PO Box 5521
Wellington
New Zealand

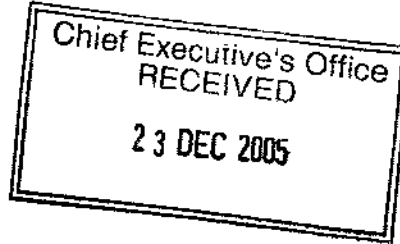
Telephone: 04 470 0037
Facsimile: 04 471 1522
Email: roger.gyles@civicasurance.co.nz

WAITAKERE CITY COUNCIL

23 DEC 2005

21 December 2005

Mr Harry O'Rourke
Chief Executive
Waitakere City Council
Private Bag 93 109
WAITAKERE CITY



Dear Harry,

You will see when you receive the RiskPool accounts (currently at the printers) that as at the end of Riskpool's fund year eight (30 June 2005) there has been a substantial fall in the Scheme's surplus. This has been a consequence of the extra reserving needed this year to allow for 'leaky buildings' claims, and in particular claims originating from the WHRS (Weathertight Homes Resolution Service).

To be fair to those councils that do not have a high exposure to leaky building claims, excesses for all WHRS claims will be raised to the higher of the council's normal excess and \$50,000 per claim with effect from 1 February 2006. This is not a change that your Board is making lightly, particularly halfway through a fund year. However the size of the leaky building problem is that such a change is necessary, and the Board considers the change to be a better alternative overall than withdrawing cover for WHRS claims entirely.

WHRS claims notified before 1 February 2006 will be dealt with by Riskpool in the usual way according to the Scheme Rules and Riskpool's Deed of Trust.

Members who wish to discuss this change (or any other aspect of RiskPool) are encouraged to contact the Scheme Manager (Paul Carpenter, (04 495 8216)) from 16 January 2006.

Yours sincerely

Roger Gyles
Secretary to the Board of
Local Government Mutual Funds Trustee Ltd

A94

Trust Association	<input checked="" type="checkbox"/>
City Council	<input type="checkbox"/>
City Services	<input type="checkbox"/>
Consultancy Services	<input type="checkbox"/>
ECO - WATER	<input type="checkbox"/>
Strategic Group	<input type="checkbox"/>
Support Services	<input type="checkbox"/>

ATTACHMENT C

WAITAKERE CITY COUNCIL

17 FEB 2006



New Zealand Mutual Liability RiskPool

P O Box 11-145
Wellington
New Zealand

Telephone 0-4-4958228
DD 0-4-4958216
Facsimile 0-4-4958177

656549

16 February 2006

Mr D Sheard
Waitakere City Council
Private Bag 93-109
Waitakere City

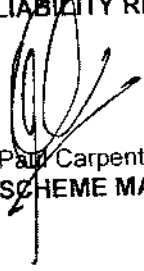
WHRS CLAIMS EXCESS

We write following the letter from RiskPool's Board dated 21 December 2005 advising of an increase in excess for Weathertight Homes Resolution Service (WHRS) claims to \$50,000 effective 1 February 2006.

Regrettably that letter contained an ambiguity that we now wish to clarify. The \$50,000 excess applies to claims involving **registrations made with the WHRS** dated 1 February 2006 or later (the WHRS registration date), rather than claims notified to RiskPool after 1 February 2006.

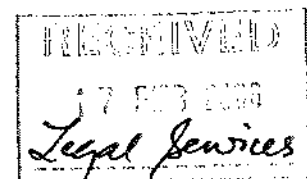
We trust that this clarifies the matter and welcome any further enquiry or discussion.

Yours sincerely
LIABILITY RISKPOOL


Paul Carpenter
SCHEME MANAGER

A95

Chief Executive	
Corporate Services	
City Services	
Costs	
Consultancy Services	
ECO - WATER	
Strategic Group	
Consent Services	
Field Services	
LEGAL	✓



**MINUTES OF A MEETING OF THE TENDERS SUBCOMMITTEE HELD IN THE
CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,
ON FRIDAY, 24 FEBRUARY 2006, COMMENCING AT 9.06 AM**

PRESENT: Councillors JM Clews, QSO, JP (Chairperson)
RI Clow (Deputy Chairperson)
Director: Quality Assurance
Director: Finance

OBSERVER: Cr WW Flaunty, QSM, JP

IN ATTENDANCE: Parks and Open Space Asset Manager
Project Manager Cleaner Production
Water Projects Manager: Project Services
Senior Engineer; Project Services
Reserve Management Planner
Principal Advisor Urban Projects
Committee Administrator: S Riley

ALSO IN ATTENDANCE: S Nagaiya, Engineering Consultant, N-Compass Limited

1 APOLOGIES

180/2006
MOVED by R Rudd, seconded Cr Clow:

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

CARRIED

2 URGENT BUSINESS

There was no Urgent Business.

3 CONFIRMATION OF MINUTES

181/2006
MOVED by Cr Clews, seconded R Rudd:

That the minutes of the meeting of the Tenders Subcommittee held on Friday, 27 January 2006, as circulated, be taken as read and now be confirmed.

CARRIED

A96

4 **CONTRACT NO. PK05021B - CAR PARK DEVELOPMENTS AT TAIPARI STRAND, PARRS PARK AND TE PAI PARK**

182/2006

MOVED by A Pollock, seconded Cr Clow:

1. That the Contract No. PK05021B - Car Park Developments at Taipari Strand, Parrs Park and Te Pai Park report be received.
2. That the tender from HEB Contractors Limited for Contract No. PK05021B - Car Park Developments at Taipari Strand, Parrs Park and Te Pai Park in the sum of \$361,097.89 plus \$45,137.24 GST, totalling \$406,235.13 be accepted.
3. That authority to enter into Contract No. PK05021B - Car Park Developments at Taipari Strand, Parrs Park and Te Pai Park on behalf of Council be delegated to the Group Manager: Asset Management.

CARRIED

5 **CONTRACT NO. PK05025A - TUI GLEN RESERVE UPGRADE**

183/2006

MOVED by Cr Clow, seconded R Rudd:

1. That the Contract No. PK05025A - Tui Glen Reserve Upgrade report be received.
2. That the tender from Nasey Contractors Limited for Contract No. PK05025A - Tui Glen Reserve Upgrade in the sum of \$418,362 plus \$52,295.25 GST, totalling \$470,657.25 be accepted, subject to a credit check.
3. That authority to enter into Contract No. PK05025A - Tui Glen Reserve Upgrade on behalf of Council be delegated to the Group Manager: Asset Management.

CARRIED

6 **CONTRACT NO. EW05093B MC15 - SEABROOK/RYEHILL/WILLERTON NEW LYNN WASTEWATER RENEWALS**

184/2006

MOVED by A Pollock, seconded R Rudd:

1. That the Contract EW05093B MC15 - Seabrook/Ryehill/Willerton New Lynn Wastewater Renewals report be received.
2. That the tender from M Keogh Contractors Limited for Contract No. EW05093B MC15 - Seabrook/Ryehill/Willerton New Lynn Wastewater Renewals in the sum of \$720,469.00 plus \$90,058.63 GST, totalling \$810,527.63 be accepted.
3. That authority to enter into Contract No. EW05093B MC15 - Seabrook/Ryehill/Willerton New Lynn Wastewater Renewals on behalf of Council be delegated to the Group Manager: Project Services.

CARRIED

A97

7 CONTRACT NO. RM05014A - ENVIRO SMART

185/2006

MOVED by A Pollock, seconded Cr Clow:

1. That the Contract No. RM05014A - Enviro Smart report be received.
2. That Contract No. RM05014A - Enviro Smart be approved and awarded to Landcare Research, and that approval be given for \$16,000 in 2005/2006 and a financial commitment of \$5000 in the 2006/2007 Annual Plan year, and \$5,000 in the 2007/2008 Annual Plan year subject to contract final approval.

CARRIED

8 CONTRACT NO. SD04009D - RAILSIDE AVENUE TO ALDERMAN DRIVE AND CATHERINE MALL INFRASTRUCTURE RENEWAL PROJECT

186/2006

MOVED by Cr Clow, seconded A Pollock:

1. That the Contract No. SD04009D - Railside Avenue to Alderman Drive and Catherine Mall Infrastructure Renewal Project report be received.
2. That the tender from John Fillmore Contracting Limited for Contract No. SD04009D - Railside Avenue to Alderman Drive and Catherine Mall Infrastructure Renewal Project in the sum of \$1,585,081.80 plus \$198,135.22 GST, totalling \$1,783,217.02 be accepted.
3. That authority to enter into Contract No. SD04009D - Railside Avenue to Alderman Drive and Catherine Mall Infrastructure Renewal Project on behalf of Council be delegated to the Director: Quality Assurance.

9.17 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:.....

A98