



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

If calling please ask for: Democratic Services

21 February 2019

Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington on:

Tuesday, 26 February 2019 at 9.30am

Membership

Cr Laidlaw (Chair)

Cr Blakeley
Cr Donaldson
Cr Kedgley
Cr Lamason
Cr Ogden
Cr Staples

Cr Brash
Cr Gaylor
Cr Laban
Cr McKinnon
Cr Ponter
Cr Swain

Recommendations in reports are not to be construed as Council policy until adopted by Council

Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held on Tuesday, 26 February 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 9.30am

Public Business

Page No.

- | | | |
|---|----------------------|----------|
| 1. Apologies | | |
| 2. Declarations of conflict of interest | | |
| 3. Public participation | | |
| 4. Confirmation of the Public minutes of 13 December 2018 | Report 18.608 | 4 |

Governance

- | | | |
|--|---------------------|-----------|
| 5. Wellington Water Proposed Governance Changes | Report 19.48 | 17 |
| 6. 2019 triennial elections | Report 19.11 | 87 |
| 7. Additional delegation to Natural Resources Plan Hearing Panel | Report 19.24 | 93 |

Corporate

- | | | |
|--|---------------------|------------|
| 8. Summary report for the second quarter 2018/19 | Report 19.54 | 96 |
| 9. Health, Safety and Wellness update | Report 19.56 | 115 |
| 10. Exclusion of the public | Report 19.47 | 121 |

Public Excluded Business

- | | | |
|--|------------------------|------------|
| 11. Confirmation of the Public excluded minutes 13 December 2018 | Report PE18.609 | 126 |
| 12. Appointments to subcommittee and advisory body | Report PE19.46 | 130 |
| 13. Property disposal - Wairarapa | Report PE19.39 | 133 |

- | | | |
|--|-----------------------|------------|
| 14. Strategic land purchase – Lower Hutt | Report PE19.59 | 154 |
|--|-----------------------|------------|

Restricted Public Excluded Business

- | | | |
|--|-------------------------|------------|
| 15. Confirmation of the Restricted Public excluded minutes
13 December 2018 | Report RPE18.610 | 172 |
| 16. Chief Executive 2018/19 interim performance review | Report RPE19.50 | 178 |
| 17. Statutory performance review of the Chief Executive | Report RPE19.51 | 198 |



greater WELLINGTON
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Te Pane Matua Taiao

Please note that these minutes remain unconfirmed until the meeting of the Council on 26 February 2019.

Report 18.608

13/12/2018

File: CCAB-8-2078

Public minutes of the Council meeting held on Thursday, 13 December 2018 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 9:30am

Present

Councillors Laidlaw (Chair), Blakeley, Brash, Donaldson, Gaylor, Kedgley, Laban, Lamason, McKinnon, Ogden, Ponter, Staples, and Swain.

Public Business

1 Apologies

There were no apologies for absence.

2 Declarations of conflict of interest

There were no declarations of conflict of interest.

3 Public participation

There was no public participation.

4 Confirmation of the Public minutes of 31 October 2018

Moved

(Cr Laidlaw/ Cr Donaldson)

That the Council confirms the Public minutes of 31 October 2018 - Report 18.507.

The motion was **CARRIED**.

Strategy/Policy/Major Issues

5 Regional swimming targets

Matt Hickman, General Manager, Environment Management (Acting), spoke to the report.

Report 18.583

File: CCAB-8-2047

Moved

(Cr Donaldson/ Cr Blakeley)

That the Council:

- 1. Receives the report.*
- 2. Adopts the regional swimming targets as final.*
- 3. Notes that the regional swimming targets will be amended as each whitua process is integrated into the Natural Resources Plan.*

The motion was **CARRIED**.

6 Fossil Fuel Divestment

Mike Timmer, Treasurer, spoke to the report.

Report 18.538

File: CCAB-8-2025

Moved

(Cr Blakeley/ Cr Lamason)

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Endorses GWRC writing to banks annually, to show them we are monitoring them, and to seek from them what they have done to reduce their investment in fossil fuel industries over the preceding year.*

The motion was **CARRIED**.

Noted: Councillor McKinnon requested that his vote against the motion be recorded.

7 Proposed variations to the Wellington Regional Land Transport Plan 2018-21 programme

Luke Troy, General Manager, Strategy, spoke to the report.

Report 18.539

File: CCAB-8-2024

Moved

(Cr Donaldson/ Cr Laidlaw)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Adopts the variation to the Wellington Regional Land Transport Plan 2018-21 programme, as set out in Attachment 1.*
4. *Agrees to the variation to the Regional Land Transport Plan 2018-21 programme being forwarded to the NZ Transport Agency, requesting it be included in the National Land Transport Programme.*
5. *Requires that the details of proposed works to be undertaken on the bus hubs be brought to Council for approval.*

The motion was **CARRIED**.

Councillor Gaylor left the meeting during discussion on item 7 at 10:22am and returned at 10:35am.

The meeting adjourned at 10:38am and reconvened at 10:53am.

8 Withdrawal from the Porirua Harbour and Catchment Community Trust

Tim Porteous, Manager, Biodiversity, spoke to the report.

Report 18.599

File: CCAB-8-2043

Moved

(Cr Donaldson/ Cr Staples)

That the Council:

1. *Receives the report.*
2. *Agrees that the GWRC nominated trustee position should be removed from the Porirua Harbour and Catchment Community Trust, through a Special General Meeting process of the Trust, thereby formally withdrawing GWRC from the Trust.*
3. *Agrees to share the legal costs equally between the three agencies [Porirua City Council, Greater Wellington Regional Council and Wellington City Council], up to approximately \$20,000 plus GST and any disbursements for the removal of the nominated trustees from the Trust Deed and associated minor alterations to the Trust Deed.*

Moved as an amendment (as an additional motion):

(Cr Brash/ Cr Ogden)

4. *Agrees to continue to support the work of the Porirua Harbour and Catchment Community Trust, as appropriate.*

The amendment was **CARRIED**.

The substantive motion was put:

That the Council:

1. *Receives the report.*
2. *Agrees that the GWRC nominated trustee position should be removed from the Porirua Harbour and Catchment Community Trust, through a Special General Meeting process of the Trust, thereby formally withdrawing GWRC from the Trust.*
3. *Agrees to share the legal costs equally between the three agencies [Porirua City Council, Greater Wellington Regional Council and Wellington City Council], up to approximately \$20,000 plus GST and any disbursements for the removal of the nominated trustees from the Trust Deed and associated minor alterations to the Trust Deed.*
4. *Agrees to continue to support the work of the Porirua Harbour and Catchment Community Trust, as appropriate.*

The substantive motion was **CARRIED**.

Noted: Councillor Brash requested that her abstention from voting on part 2 of the motion be recorded.

9 **Wairarapa Economic Development Strategy**

A copy of the Wairarapa Economic Development Strategy and Action Plan was tabled.

Samantha Seath, Wellington Regional Strategy Office, spoke to the report.

Report 18.589

File: CCAB-8-2052

Moved

(Cr Staples/ Cr Blakeley)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Endorses the Wairarapa Economic Development Strategy and Action Plan.*
4. *Agrees to the Council Chair representing Council on the Governance Group, with the Wairarapa Constituency Councillor as the alternate.*

The motion was **CARRIED**.

10 **Te Matatini - public transport support**

Paul Kos, Manager, Public Transport Policy, spoke to the report.

Report 18.553

File: CCAB-8-2034

Moved

(Cr Gaylor/ Cr Ponter)

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Notes that a Sponsorship Policy will be presented to the Sustainable Transport Committee for consideration (and subsequent decision by Council) in early 2019.*
- 4. Agrees to provide free travel on Metlink bus and rail services for Te Matatini volunteers over the four event days: Thursday, 21 February to Sunday, 24 February 2019.*
- 5. Agrees to provide free travel on Metlink bus and rail services for eligible Te Matatini event performers and stage crew over the four event days: Thursday, 21 February to Sunday, 24 February 2019.*

The motion was **CARRIED**.

Governance

11 Review of Standing Orders

Francis Ryan, Manager, Democratic Services, spoke to the report.

Report 18.558

File: CCAB-8-2035

Moved

(Cr McKinnon/ Cr Ogden)

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Notes that, pursuant to clause 27, Schedule 7 of the Local Government Act 2002, it may amend Standing Orders or adopt a new set of Standing Orders by a vote of not less than 75% of the members present.*
- 4. Adopts the Greater Wellington Regional Council Standing Orders 2019 as set out in Attachment 1 to this report, to come into effect on 1 February 2019.*
- 5. Revokes the Greater Wellington Regional Council Standing Orders 2012 with effect from 1 February 2019.*

The motion was **CARRIED**.

12 **Appointment to the Regional Transport Committee**

Report 18.528

File: WRCH-14-2022

Moved

(Cr Donaldson/ Cr Lamason)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Appoints Amy Kearse to the Regional Transport Committee to represent the New Zealand Transport Agency as an alternate member.*
4. *Notes that Emma Speight continues to be the New Zealand Transport Agency's appointee.*

The motion was **CARRIED**.

13 **Honoraria for Whaitua Te Whanganui-a-Tara Committee**

Report 18.592

File: WRCH-14-2048

Moved

(Cr Lamason/ Cr Blakeley)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Agrees payment of the honoraria for eligible Whaitua Te Whanganui-a-Tara members commencing from Monday 17 December 2018.*

The motion was **CARRIED**.

Corporate

14 **Shareholder resolutions in lieu of Annual General Meeting - Wellington Regional Economic Development Agency**

Report 18.589

File: CCAB-8-2050

Moved

(Cr Lamason/ Cr Donaldson)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *As a 20% shareholder of WREDA Limited:*

- a. *Agrees that the Company not be required to hold an Annual General Meeting;*
 - b. *Resolves the written resolutions contained within Attachment 1 to receive the directors' report and the audited financial statements, and to agree the auditor's fees and expenses.*
4. *Authorises the Chief Executive to sign the shareholder resolutions on behalf of the Council.*

The motion was **CARRIED**.

15 **Shareholder resolution in lieu of Annual General Meeting - WRC Holdings Limited**

Report 18.512

File: CCAB-8-1345

Moved

(Cr Lamason/ Cr Donaldson)

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *As sole shareholder of WRC Holdings Limited agrees that the Company not be required to hold an Annual General Meeting.*
4. *As sole shareholder of WRC Holdings Limited, resolves the written resolutions contained within Attachment 1.*
5. *Authorises the Council Chairperson to sign the resolutions of the sole shareholder (Attachment 1).*

The motion was **CARRIED**.

16 **Health, Safety and Wellness update**

Lucy Matheson, General Manager, People and Customer, spoke to the report.

Report 18.563

File: CCAB-8-2053

Moved

(Cr McKinnon/ Cr Lamason)

That the Council:

1. *Receives the report.*
2. *Endorses the content of the report, noting particularly the considerable progress in the area of health, safety and wellness over the past several months.*

The motion was **CARRIED**.

17 **Report on the Regional Transport Committee meeting, 27 November 2018**

Report 18.580

File: CCAB-8-2045

Moved

(Cr Donaldson/ Cr Blakeley)

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*

The motion was **CARRIED**.

18 **Report on the Wellington Regional Strategy Committee meeting of 27 November 2018**

Report 18.570

File: CCAB-8-2039

Moved

(Cr Blakeley/ Cr Laidlaw)

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*

The motion was **CARRIED**.

19 **Exclusion of the public**

Report 18.600

File: CCAB-8-2070

Moved

(Cr Laidlaw/ Cr Donaldson)

That the Council:

Excludes the public from the following part of the proceedings of this meeting, namely:

- 1. Confirmation of the Public excluded minutes of 31 October 2018*
- 2. Greater Wellington Regional Council Long Term Wellington Office Accommodation - Preferred Option*
- 3. Wellington Regional Economic Development Agency (WREDA) Board appointments*
- 4. Request for remission of rates*
- 5. Findings of independent bus network review*
- 6. Integrated Fares - National Ticketing Solution: Procurement First Stage Outcomes*
- 7. Integrated Fares - National Ticketing Solution: Procurement Second Stage*
- 8. Statutory performance review of the Chief Executive.*

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

<i>General subject of each matter to be considered:</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground under section 48(1) for the passing of this resolution</i>
1. <i>Confirmation of the Public excluded minutes of 31 October 2018</i>	<i>The information contained in these minutes relates to GWRC’s banking facilities and pricing. Having this part of the meeting open to the public would disadvantage the banking providers’ commercial position. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the this prejudice.</i>	<i>That the public conduct of the whole or 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 under section 7(2)(b)(ii) of the Local Government Official Information and Meetings Act 1987 (the Act) (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information).</i>
2. <i>Greater Wellington Regional Council Long Term Accommodation - Preferred Option</i>	<i>The information contained in this report relates to a commercial lease which is still under negotiation. Having this part of the meeting open to the public would disadvantage the GWRC in the negotiations as it would reveal information on the GWRC’s negotiation strategy. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.</i>	<i>That the public conduct of the whole or 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 under section 7(2)(i) of the Act (i.e to carry out negotiations without prejudice).</i>

3. *Wellington Regional Economic Development (WREDA) Board appointments* *The information contained in this report relates to the proposed appointment of directors to Wellington Region Economic Development Agency (WREDA). Release of this information would prejudice the proposed appointees' privacy by disclosing the fact that they are being considered as a director of WREDA. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the individuals concerned.* *That the public conduct of the whole or 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 under section 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).*
4. *Request for remission of rates* *The information contained in this report relates to an application for a rates remission. Release of this information would be likely unreasonably to prejudice the applicant's commercial position by disclosing the fact that they are requesting a rates remission for their property. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the applicant concerned.* *That the public conduct of the whole or 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 under section 7(2)(b)(ii) of the Local Government Official Information and Meetings Act 1987 (the Act) (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information).*
5. *Findings of independent bus network review* *The information contained in this report relates to the findings of the independent review undertaken on the implementation of the new* *That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good*

bus network. This work was jointly commissioned by GWRC and the NZ Transport Agency (NZTA). The findings will not be considered by NZTA's Board until Friday, 14 December 2018. The findings remain confidential until they have been considered by the NZTA Board. Release of this information would prejudice the need to retain the obligation of confidence. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the need to maintain the obligation of confidence. Note that the findings will be made public after consideration by the NZTA Board.

6. *Integrated Fares - National Ticketing Solution: Procurement First Stage Outcomes*

The information contained in this report relates to procurement matters, some of which are likely to have commercial implications for suppliers and potential suppliers, GWRC, other local government bodies and NZTA. Release of this information would likely prejudice a proposed competitive procurement process by exposing proposed commercial terms. GWRC has not been able to identify a public interest favouring disclosure of this particular information that would outweigh that

That the public conduct of the whole or 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 under section 7(2)(b)(ii) of the Act (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information), section 7(2)(h) of the Act (i.e. to enable any local authority holding the information to carry out, without prejudice or

- | | | |
|--|--|--|
| | <i>likely prejudice.</i> | <i>disadvantage, to commercial activities), section 7(2)(i) of the Act (i.e. to carry out negotiations without prejudice), and section 7(2)(j) (i.e. to prevent the disclosure or use of official information for improper gain or improper advantage).</i> |
| 7. <i>Integrated Fares - National Ticketing Solution: Procurement Second Stage</i> | <i>The information contained in this report relates to procurement matters, some of which are likely to have commercial implications for suppliers and potential suppliers, GWRC, other local government bodies and NZTA. Release of this information would likely prejudice a proposed competitive procurement process by exposing proposed commercial terms. GWRC has not been able to identify a public interest favouring disclosure of this particular information that would outweigh that likely prejudice.</i> | <i>That the public conduct of the whole or 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 under section 7(2)(b)(ii) of the Act (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information), section 7(2)(h) of the Act (i.e. to enable any local authority holding the information to carry out, without prejudice or disadvantage, to commercial activities), section 7(2)(i) of the Act (i.e. to carry out negotiations without prejudice), and section 7(2)(j) (i.e. to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)).</i> |
| 8. <i>Statutory performance review of the Chief Executive</i> | <i>The information contained in this report relates to the statutory performance review of the Chief Executive. Release of this</i> | <i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of</i> |

*information would information for which good
prejudice the privacy of reason for withholding
the Chief Executive by would exist under sections
disclosing matters relating 7(2)(a) of the Act (i.e. to
to the statutory review of protect the privacy of
his performance. GWRC natural persons).
has not been able to
identify a public interest
favouring disclosure of
this particular information
in public proceedings of
the meeting that would
override the Chief
Executive's privacy.*

Permits Mark Streeting, Partner, L.E.K. Consulting, to remain at this meeting after the public has been excluded for item 5 – Findings of independent bus network review, because of his expert knowledge relating to the independent bus network review.

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified above.

The motion was **CARRIED**.

The public part of the meeting closed at 12:13pm.

Cr C Laidlaw
(Chair)

Date:



Report 19.48
Date 26 February 2019
File CCAB-8-2099

Committee Council
Author Samantha Gain, General Manager, Corporate Services

Wellington Water Proposed Governance Changes

1. Purpose

To seek the Council's endorsement of the proposed amendments to the governance documentation for Wellington Water Limited ("WWL" or "Company")

2. Background

WWL is a council controlled organisation in the form of a company with (currently) five shareholder councils, being Wellington, Hutt, Upper Hutt and Porirua City councils and Greater Wellington Regional Council. The board of WWL is made up of independent directors. Councils influence the governance of WWL through the Wellington Water Committee ("the Committee").

As its meeting on 10 September 2018 the Committee resolved to invite all neighbouring councils to participate in developing a joint submission to the Government's Three Waters Review. Following endorsement of the submission by the Committee, it was formally approved by seven councils within the Greater Wellington region and, along with the support of mana whenua, was delivered to the Minister of Local Government.

In addition, the Committee agreed to review the governance documentation for the WWL to coincide with the submission to allow other local authorities to become shareholders in the Company.

At its meeting on the 29 November 2018 the Committee resolved to endorse the proposed changes and forward the Shareholders' Agreement and Constitution to the Shareholder councils for approval.

Generally, the proposed amendments have two key purposes:

- (a) The ability of other interested local authorities to become shareholders in the Company, and

(b) The desire for partnership with mana whenua and inclusion in decision-making processes by making Mana Whenua Partners members of the Committee and ensuring that WWL Board members possess Te Ao Māori knowledge and skills.

3. Comment

3.1 Additional shareholders

The Shareholders Agreement ("SHA"), and the Constitution, currently contemplate a fixed number shareholders, being the five current shareholders. Accordingly, the amendments are focussed on referring to shareholders more generally (as opposed to specifically in relation to the existing five shareholders) and to ensure that the various decision-making mechanisms are able to be applied in the event of additional local authority shareholders joining. To elaborate, the updates provide the following:

Constitution

- (a) Clause 3 – By referring to shareholding as set out in the share register of the Company, we can avoid the need to amend the shareholding as set out in the Constitution if one or more new shareholder(s) join the Company.
- (b) Clause 4.5 – To make it explicitly clear that all shareholders must be party to the SHA, including in the case of new shareholders, by acceding to the then existing SHA.

SHA

- (c) Parties – To enable one or more new shareholder(s) to accede to the SHA by executing Deed(s) of Accession in the form required by WWL.
- (d) Clause 1.5 – By referring to shareholding as set out in the share register of the Company, we can avoid the need to amend the shareholding as set out in the SHA if one or more new shareholder(s) join the Company.
- (e) Clause 1.6 – To expressly set out the process by which one or more additional local authorities or council controlled organisations may become new Company shareholders.
- (f) Clause 13.1 – To remove shareholder contact details from the SHA so that there would not be any requirement to update the SHA as new shareholder(s) join the Company.

Note that the addition of a new shareholder will also require the following steps to be taken:

- (g) The proposed new shareholder making a request to the Company and the then existing shareholders for the proposed new shareholder to be issued shares in the Company.
- (h) The Board of the Company passing a resolution (and signing associated certificates and other documentation as required under the Companies Act 1993) to issue, in such classes and on such terms as the Board thinks fit, shares in the Company to the proposed new shareholder. This will include Class A Shares and Class B Shares, and any amounts payable by the proposed new shareholder to the Company for those shares.
- (i) Class A Shareholders of the Company (as defined in the Constitution) passing a Special Resolution waiving the pre-emptive provisions in section 45 of the Companies Act.
- (j) All of the shareholders of the Company unanimously agreeing to the issue of new shares to the proposed new shareholder, pursuant to Schedule 2 of the Shareholders' Agreement, and to waive the pre-emptive provisions in section 45 of the Companies Act.
- (k) The proposed new shareholder complying with all statutory and regulatory obligations and requirements in order for it to lawfully be able to become a shareholder in a council controlled organisation, including pursuant to the Local Government Act 2002 (note that this needs to be completed by the proposed new shareholder, rather than the Company).
- (l) The proposed new shareholder entering into a Deed of Accession acceding to the Shareholders' Agreement.
- (m) The Company updating its share register to record any new shareholding.
- (n) The proposed new shareholder appointing an elected member to be a member of the Wellington Water Committee.
- (o) The proposed new shareholder entering into a Service Level Agreement with WWL.

3.2 Partnership with mana whenua

The Constitution and SHA do not currently provide for participation by mana whenua, so more extensive updates are required, including key amendments as set out below.

Throughout the SHA, updates have been made to ensure Committee Members have equal status and roles (whether nominated by Mana Whenua Partner Entities ("MWPEs") or Council shareholders). As such, Committee Members nominated by the MWPEs have all the governance oversight responsibilities set out in Schedule 3, which includes the responsibility to seek and interview candidates for the WWL Board and approve remuneration of WWL directors.

To be clear, while the Committee Members will all have equal rights to participate in discussions on governance and leadership, the matters set out in Part 1 of Schedule 2 will still require unanimous resolution of the Shareholders. Where the Shareholders delegate this decision-making power to their appointed Committee Member, the MWPE-appointed Committee Member(s) will not have the power to participate.

WWL has a Memorandum of Partnership with each of Taranaki Whanui and Ngati Toa, and nominees of these entities have been involved with the Committee and WWL in developing the proposal for Committee membership. These are the same entities with which the Council has a relationship in the geographical area serviced by WWL.

Constitution

- (a) Clause 11.9 - To expressly demonstrate the requirement (albeit at a high level) of the WWL Board having knowledge and experience of relevant issues affecting mana whenua.

SHA

- (b) Title of document – The document will be renamed ‘Shareholders and partners’ agreement’, to reflect that the mana whenua participating entities are not shareholders.
- (c) Parties – To enable one or more MWPEs to become parties to the SHA by executing Deed(s) of Accession in the form required by WWL. This then attracted some other amendments, to reflect the MWPEs role under the SHA, including under clauses 1.2 and 1.3.2.
- (d) Clause 2.1 - To emphasise the importance of The Treaty of Waitangi / Te Tiriti o Waitangi and confirm WWL's commitment to its principles.
- (e) Clauses 2.2 to 2.4 – To provide for the process by which a Māori authority may be formally recognised as a MWPE and joined as a party to the SHA.
- (f) Clause 3.2 – To provide that the membership of the Wellington Water Committee shall comprise, in addition to the elected members

appointed by each shareholder, a Committee Member (and an Alternate) nominated by each MWPE and jointly appointed by the shareholders.

- (g) Clause 3.3 – To clarify that the nominating MWPE may give written notice to WWL to remove and replace its nominated Committee Member and / or their Alternate.
- (h) Clause 3.5 – To clarify that all Committee Members are expected to be in attendance at meetings of the Committee and that all parties to the SHA will use their reasonable endeavours to ensure their appointed or nominated Committee Member (or their Alternate) is in attendance at each meeting of the Committee.
- (i) Clauses 6.3-6.5 – To provide that the Letter of Expectation and Statement of Intent processes also involve the MWPEs, and not just the Shareholders.
- (j) Clause 8 – To clarify that all parties are expected to act in a spirit of collaboration and under the principle of no surprises.
- (k) Clause 9 – To broaden application of the dispute resolution provisions to all parties (including the MWPEs), not just the shareholders.
- (l) Previous clause 10.2 – To remove the ability for one shareholder to terminate another shareholder's participation in the SHA – given the structure of the Company, including every shareholder having a service level agreement with the Company, it is unlikely to ever be beneficial for a shareholder to be excluded from the rights and constraints of the SHA.
- (m) Clause 11.1 – To require each party to ensure that its nominated and/or appointed Committee Member will keep confidential information obtained from the Company – this will naturally cover each MWPEs and its nominated Committee Member.
- (n) Clause 14.8 – To clarify that the SHA does not give rights to any person not a party to the SHA.
- (o) Schedule 1, Board Skills Matrix – To add a new requirement so that at least one director possesses the experience and expertise sought from mana whenua.

A draft updated Shareholders' Agreement is attached as [Attachment 1](#) and a draft updated Constitution is attached as [Attachment 3](#).

Wellington Water Committee Terms of Reference

- (p) Various amendments to bring the TOR in line with the intent of the updated SHA, including:
- updating the quorum for a meeting of the Committee to a majority of Committee Members, with a requirement that the number making up the majority must include at least an equal number of Shareholder appointed Committee Members and MWPE nominated Committee Members; and
 - referring to the interests of the parties to the SHA (which include MWPE) rather than the interests of the shareholders.

A draft update of the Committee's terms of reference is attached as [Attachment 2](#).

3.3 Miscellaneous changes

The opportunity has also been taken to suggest some tidy-up changes as follows:

Constitution

- (a) Clause 11.2 – To clarify that Class A shareholders are also entitled to jointly remove directors, not just to simply joint appoint them.
- (b) Clause 12.21 – To correct a typo.
- (c) Clause 21.1, definition of "Board Skills Matrix" – To clarify that this is as set out in the SHA – while previously used in the Constitution, this term was undefined and there was no reference to where the Board Skills Matrix can be found.
- (d) Clause 21.2.7 – To ensure a working day under the Constitution is interpreted consistently with the requirements of the SHA.

Wellington Water Committee Terms of Reference

- (e) Governance oversight responsibilities – To clarify that the Committee's responsibilities do not include proving recommendations regarding the relevant network structure owned by each Shareholder, but instead include providing recommendations in relation to regional studies that the Shareholders should be cognisant of.
- (f) Standing orders – To clarify that it is the standing orders of the party providing secretariat services to the Committee that apply, rather than those of GWRC.

4. Communication

No external communication is proposed as an outcome of the consideration of this report.

5. Consideration of climate change

The matter requiring decision in this report has been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

5.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matter on the climate. As the matter concerns governance only, officers recommend that the matter be considered to have no effect on the climate.

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI).

5.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matter. As the matter concerns governance only, Officers recommend that climate change has no bearing on the matter.

6. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

6.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into

account. Officers recommend that the matter be considered to have low significance, because:

- The decision to enable other shareholders to join WWL does not have an impact of itself; specific consideration may need to be given when there is any separate, subsequent decision required relating to a particular proposal to include another shareholder;
- The decision to include mana whenua entities as members of the Committee aligns with the Council's approach to involvement of mana whenua.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

6.2 Engagement

Engagement on the matters contained in this report aligns with the level of significance assessed. In accordance with the significance and engagement policy, no engagement on the matters for decision is required. It is noted that the Committee has engaged with relevant mana whenua entities in respect of the proposals.

7. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Adopts the changes to the Shareholders' Agreement, attached as Attachment 1 to the report.*
4. *Adopts the changes to the Terms of Reference of the Wellington Water Committee, attached as Attachment 2 to the report.*
5. *Adopts the changes to the Constitution, attached as Attachment 3 to the report.*
6. *Notes that the changes to each document must be adopted by each shareholding council before they become effective.*

Report prepared by:

Samantha Gain

General Manager, Corporate Services

Attachment 1 – Shareholders Agreement with proposed changes tracked

Attachment 2 – Wellington Water Committee Terms of Reference with proposed changes tracked

Attachment 3 – WWL Constitution with proposed changes tracked

Draft 7 December 2018

**Shareholders' Agreement
relating to
Wellington Water Limited**

Wellington City Council
Hutt City Council
Upper Hutt City Council
Porirua City Council
Wellington Regional Council

Final Draft: ~~27 August 2014~~

~~Note that change of name from Capacity Infrastructure Services Limited to be considered at Wellington Water Committee meeting on 11 September~~ And any other Shareholder acceding to this Shareholders' Agreement

Table of contents

Te Taki o Wellington Water	1
Parties	2
Background.....	2
Operative provisions.....	3
1 Shareholder and other obligations.....	3
Shareholder and customer	3
Duty to comply with Constitution	3
Shareholding	3
2 Treaty of Waitangi / Te Tiriti o Waitangi.....	4
3 Wellington Water Committee.....	5
Establishment and Terms of Reference	5
Attendance of Committee Members at meetings.....	6
4 Shareholder decisions	6
5 Composition of the Board	6
The Board	6
6 Statement of Intent	6
7 Shareholder amalgamation	7
8 Conduct by the parties.....	8
Spirit of collaborative working	8
9 Dispute resolution	8
Application of procedures	8
Notice in writing	8
Escalation.....	8
Negotiation in good faith	8
Mediation.....	9
Implementation of agreement reached through negotiation or mediation	9
Rights and obligations during a dispute	9
Interlocutory relief and right to terminate.....	9
10 Termination	9
Duration	9
Termination for default.....	10
Termination by notice	10
Right of first refusal.....	10
Effect of termination.....	10
11 Confidential Information	10
Confidentiality.....	10
Further permitted use and disclosure.....	11
Obligations to continue after agreement ends	11
12 Announcements.....	11

13	Notices	11
	Giving notices	11
	Change of details	12
	Time notice is given	12
14	Miscellaneous	13
	Assignments and transfers	13
	Costs	13
	Entire agreement	13
	Execution of separate documents	13
	Further acts	13
	Inconsistency with Constitution	13
	No partnership or agency	13
	Privity	14
	No reliance on other matters	14
	Severability	14
	Variation	14
	Waivers	14
15	Definitions and interpretation	14
	Definitions	14
	Interpretation	17
	Execution and date	18
	Schedule 1	17
	Board Skills Matrix	17
	Schedule 2	22
	Matters requiring approval or reflection in Statement of Intent	22
	Schedule 3	23
	Form of Wellington Water Committee Terms of Reference	23

Shareholders' Agreement

Te Taki o Wellington Water

He wai, he wai

He wai herenga tāngata

He wai herenga whenua

He wairua

He waioara

Tihei Mauri ora

Tis water, tis water

Water that joins us

Water that necessitates the land

Soul of life

Life forever

Tis life

Parties

Wellington City Council (WCC)

Hutt City Council (HCC)

Upper Hutt City Council (UHCC)

Porirua City Council (PCC)

Wellington Regional Council (~~GWRC~~WRC)

Any other Shareholder(s) acceding to this document in accordance with clause 1.6 below

Any Mana Whenua Partner Entity(ies) acceding to this document in accordance with clause 2.3 below (MWPE)

Background

A. The parties are shareholders in [Wellington Water] Limited (~~Company~~) Wellington Water Limited (**Company**) manages drinking water, wastewater and storm water services for its local authority shareholders, working in partnership with mana whenua, through the MWPEs, to provide leadership across water issues.

B. The parties are:

a. shareholders in the Company; and/or

b. mana whenua partner entities.

and wish to enter into this document for the purpose of recording the agreements they have reached in relation to managing their shareholdings in the Company, mana whenua's partnership with the Shareholders in relation to governance of the Company, and their respective relationships with each other.

C. The existing parties to this document acknowledge that additional parties may accede to this document in the manner described in clause 2.3 below, either as additional shareholders in the Company or as MWPEs.

Operative provisions

1 Shareholder and other obligations

Shareholder and customer

1.1 Each Shareholder acknowledges that all Shareholders are expected to also be customers of the Company under a Service Level Agreement.

Duty to comply with Constitution

1.2 Each Shareholder shall comply with the Company's Constitution. Each MWPE shall, in the exercise of its role as contemplated in this document, ensure that the Company complies with the Constitution.

Council controlled organisation

1.3 The Shareholders and MWPEs acknowledge that the Company is a council controlled organisation and ~~they~~accordingly:

~~1.2.1~~1.3.1 the Shareholders will each use their best endeavours to ensure that they each comply with their, and the Company complies with its, obligations under the LGA and the Companies Act; and

1.3.2 each of the MWPEs will, when undertaking its role as contemplated in this document, use its best endeavours to ensure that the Company complies with its obligations under the LGA and the Companies Act.

Security Interest

~~1.3.1~~1.4 A Shareholder must not grant a Security Interest over any of its Shares without the written consent of the other Shareholders.

~~2~~ Shareholding Shareholders

~~2.1~~ The parties acknowledge that the Shares in the Company are structured so that each Shareholder holds Shares as set out below:

Name of Shareholder	Number of Class A Shares held	Number of Class B Shares held	Value of Class B Shares held (\$'000)
WCC	450	200	400
HCC	450	100	200
UHCC	450	40	80
PCC	450	60	120
GWRC	450	75	150

1.5 Each Shareholder holds the Shares as set out in the share register for the Company.

New Shareholder accession to this document

1.6 The Shareholders acknowledge that from time to time one or more local authorities or council controlled organisations may become shareholders of the Company, by being issued Shares in the Company in accordance with the Constitution. In such event, the new Shareholder will be required under the Constitution to accede to this document as a Shareholder and to do so by way of entry into a deed of accession in a form required by the Shareholders.

2 Treaty of Waitangi / Te Tiriti o Waitangi

2.1 The Shareholders acknowledge the importance of the Treaty of Waitangi / Te Tiriti o Waitangi as a founding document of Aotearoa New Zealand and are committed to the principles it contains. In giving effect to the Treaty of Waitangi / Te Tiriti o Waitangi principles, the Shareholders agree that mana whenua, through the MWPEs, will have an important role in the governance of the Company, as contemplated in this document, including by nominating members on the Wellington Water Committee and by jointly appointing the Directors of the Company.

2.2 Each MWPE:

2.2.1 is a Māori authority in the geographical area in which the Company operates;

2.2.2 has been jointly approved by all Shareholders as a MWPE for the purposes of this document (as contemplated in clause 2.3 below); and

2.2.3 has acceded to this document as a MWPE by way of entry into a deed of accession in a form required by the Shareholders.

2.3 The Shareholders acknowledge that they, any of them and/or the Company may from time to time receive request(s) from any group(s) or entity(ies) seeking recognition as a MWPE for the purposes of this document. The Shareholders agree to consider such request(s) in good faith, and may, by unanimous resolution, agree to recognise as a MWPE under this document any Māori authority within the geographical area in which the Company operates. On such resolution, the relevant Māori authority shall become a MWPE upon acceding to this document as a MWPE by way of entry into a deed of accession as required in clause 2.2.3 above.

3 Wellington Water Committee

Establishment and Terms of Reference

- 3.1 The Shareholders will jointly establish, maintain and operate a Wellington Water Committee in accordance with the Terms of Reference and the provisions of this document, to provide overarching governance in relation to Water Services in the Wellington region and to assist the Shareholders to fulfil their obligations under this document.

Committee Membership

- ~~3.2~~ The Wellington Water Committee will comprise Committee Members appointed as follows:

- ~~3.2~~ Each Shareholder will:

~~3.2.1~~ confirm the Terms of reference;

~~3.2.2~~ 3.2.1 appoint one of its elected members as a Committee Member; ~~and~~

~~3.2.2~~ Each MWPE will nominate, and the Shareholders will unanimously appoint one of its elected members, a person to be a Committee Member on the Wellington Water Committee; and

~~3.2.3~~ In relation to each Committee Member, whether appointed under clause 4.1 or 3.2.2, an Alternate; will be appointed in the same way as the relevant primary Committee Member.

~~Each Shareholder's appointed~~

- ~~3.3~~ Any Committee Member and/or Alternate may be replaced from time to time by the respective as follows:

~~3.3.1~~ a Committee Member who is also an elected member of a Shareholder, by the relevant Shareholder; and

~~3.3.2~~ a Committee Member who is not also an elected member of a Shareholder, by the relevant nominating MWPE,

in each case, by the relevant party providing written notice to the Wellington Water Committee and the Shareholders.

Delegations to Committee Members

- ~~3.3.4~~ Each ~~Shareholder~~ party agrees to delegate to its nominated or appointed Committee Member, and their Alternate, those responsibilities and powers set out in the Appendix to the Terms of Reference.

Attendance of Committee Members at meetings

3.5 Each:

3.5.1 Shareholder agrees to use its reasonable endeavours to ensure that its appointed elected member Committee Member (or their Alternate); and

3.5.2 MWPE agrees to use its reasonable endeavours to ensure that its nominated Committee Member (or their Alternate).

attends each meeting of the Wellington Water Committee.

~~3.4.3.6~~ It shall be considered a breach of this document if ~~a Shareholder's~~ appointed Committee Member or their Alternate is not present at three consecutive meetings of the Wellington Water Committee.

4 Shareholder decisions

4.1 The matters contained in part 1 of Schedule 2 must be approved by unanimous agreement of the Shareholders; which may be approved through their elected members who are on the Wellington Water Committee.

5 Composition of the Board

The Board

5.1 The ~~Shareholders~~parties agree that all Directors must be Independent Directors selected by the Wellington Water Committee in accordance with the Board Skills Matrix, subject to the maximum number of Directors permitted under the Constitution.

5.2 An appointee must not be a person disqualified from acting as a Director under the Companies Act.

5.3 Otherwise, the Directors are to be appointed in accordance with the terms of the Constitution and this document.

5.4 A performance evaluation of the Board will be undertaken by the Board on an annual basis, in line with accepted good governance principles and practices, and the results will be reported directly to the Wellington Water Committee and to the Chief Executives of the Shareholders.

6 Statement of Intent

6.1 The parties agree that the business of the Company is expected to be conducted in accordance with its Statement of Intent, which must be prepared in accordance with the LGA.

Shareholders' Agreement

- 6.2 Each Shareholder retains its rights under the LGA to comment on and decide whether to approve a Statement of Intent, but will use its best endeavours to co-ordinate its feedback in accordance with the procedure set out in this clause 6.
- 6.3 Unless the ~~Shareholders~~parties agree an alternative date, no later than 1 December each year, the Wellington Water Committee will meet to discuss and recommend to the Shareholders details to be included in the Letter of Expectation to the Company in relation to its Statement of Intent.
- 6.4 The ~~Shareholders~~parties agree that the Letter of Expectation will request the Company to include in its Statement of Intent appropriate restrictions on the activities set out in part 2 of Schedule 2.
- 6.5 The ~~Shareholders~~parties will exercise their power to agree the Letter of Expectation via the Wellington Water Committee.
- 6.6 No later than 15 December in each year, or an alternative date agreed by the Shareholders, the chairperson of the Wellington Water Committee will circulate the agreed Letter of Expectation to the Chairperson of the Board, the Chief Executive of the Company and to all Shareholders.
- 6.7 The Shareholders will procure that the draft Statement of Intent prepared by the Company is provided to the Wellington Water Committee and will exercise its powers in relation to the draft Statement of Intent via the Wellington Water Committee.
- 6.8 The Wellington Water Committee will, in accordance with the Terms of Reference, consider the draft Statement of Intent and will agree feedback and recommendations in respect of the draft Statement of Intent to be provided to the Company.
- 6.9 Subject to clause ~~6.26.2~~, no later than 30 April in each year, the Wellington Water Committee will circulate to the Chairperson of the Board, the Chief Executive of the Company and to all Shareholders a letter outlining Wellington Water Committee's agreed combined feedback to the draft Statement of Intent. -
- 6.10 The Wellington Water Committee will, in accordance with the Terms of Reference, consider the final Statement of Intent when it is received from the Company and agree recommendations in respect of the final Statement of Intent to be provided to the Shareholders.
- 6.11 Each Shareholder must formally consider the final Statement of Intent taking into account the recommendations of the Wellington Water Committee.
- 6.12 The parties acknowledge that under the LGA, the Shareholders may jointly, by resolution, require the Board to modify its Statement of Intent.

7 Shareholder amalgamation

- 7.1 In the event of an amalgamation or any other change in the regional governance structure of a Shareholder, the parties will meet and discuss the effect of the amalgamation on the shareholding structure of the Company and will exercise their

voting rights to ensure that the shareholding percentages for both classes of shares remain reasonable as agreed by all Shareholders.

8 Conduct by the Shareholdersparties

Spirit of collaborative working

- 8.1 The Shareholdersparties must at all times act in a spirit of co-operation and collaborative working, endeavouring to act together to allow for the effective ~~communication of Shareholder intentions or requirements to~~communications for and on, and governance of, the Company.
- 8.2 The Shareholdersparties shall use best endeavours to act under the principle of no surprises, both with the Company and with each other in relation to their respective interests. If any ~~Shareholder~~decision under this document has a material impact on ~~its~~a Shareholder's Service Level Agreement with the Company, that Shareholder must immediately notify the other Shareholdersparties of the change.

9 Dispute resolution

Application of procedures

- 9.1 The procedures set out below must be followed in relation to the resolution of a dispute amongst the Shareholdersparties concerning either of the following:
- 9.1.1 this document, its subject matter, the rights or liabilities under this document or the negotiations leading to it; or
- 9.1.2 the conduct of the business or affairs of the Company.

Notice in writing

- 9.2 If a party claims that a dispute has arisen, that party must give written notice to the other parties. The written notice must specify the nature of the dispute.

Escalation

- 9.3 The Representatives shall be responsible for dealing with any disputes in a timely manner.

Negotiation in good faith

- 9.4 On receipt of a notice delivered in accordance with clause ~~9.29.2~~ and before any party may refer a dispute to mediation, the Representatives must, in good faith and acting reasonably, do their best to resolve the difficulty quickly and efficiently through negotiation.
- 9.5 If any Representative considers that the dispute is not being resolved in a timely manner, such Representative may serve written notice on the other parties' Representatives to escalate the dispute to the Chief Executives (where the Representatives are not the Chief Executive) of the applicable Shareholders for resolution.

Shareholders' Agreement

- 9.6 If the issue has not been resolved within 30 days (or within such other period as agreed by the parties) of the date of the notice referred to in clause ~~9.4~~9.4, any party may submit the dispute to mediation.

Mediation

- 9.7 If the parties do not resolve the difficulty by negotiation, the parties must, in good faith and acting reasonably, do their best to resolve the difficulty by participating in mediation with an independent mediator.
- 9.8 If the parties do not agree on a mediator, then the mediator will be appointed by the President of the New Zealand Law Society.
- 9.9 The parties must mediate the difficulty in accordance with principles agreed between them or, if no agreement can be reached, the principles determined by the mediator.
- 9.10 Unless the parties agree otherwise, the mediator's fee and any other costs of the mediation itself (such as for venue hire or refreshments) will be shared equally between the parties, but the parties will each pay their own costs of preparing for and participating in the mediation (such as for travel and legal representation).

Implementation of agreement reached through negotiation or mediation

- 9.11 The parties must do whatever is reasonably necessary to put into effect any negotiated or mediated agreement or other resolution. This includes exercising voting rights and other powers as required.

Rights and obligations during a dispute

- 9.12 During a dispute, each party must continue to perform its obligations under this document.

Interlocutory relief and right to terminate

- 9.13 This clause does not restrict or limit the right of a party to obtain interlocutory relief, or to immediately terminate this document where this document provides such a right.

10 Termination

Duration

- 10.1 This document commences on its execution date in accordance with its terms and continues until ~~one Shareholder holds all of the Shares or none of the Shareholders hold Shares or until terminated earlier in accordance with clause 10.2.;~~

10.1.1 one Shareholder holds all of the Shares or none of the Shareholders hold Shares, and there are no then current MWPEs; or

10.1.2 terminated earlier in accordance with clause 10.2.

Termination for default

10.2 This document will terminate if an Insolvency Event occurs in relation to the Company.

~~10.3 Any Shareholder may terminate this document with respect to another Shareholder if that other Shareholder is in breach of any obligation under this agreement that continues for more than 60 days after the Shareholder receives written notice of it.~~

Termination by notice

~~10.4~~10.3 Any Shareholder may withdraw from being a Shareholder and a party to this document if the Service Level Agreement in respect of such Shareholder is terminated.

~~10.5~~10.4 Any Shareholder may withdraw from being a Shareholder and a party to this document by giving 36 months' prior written notice to the Company and to all other Shareholders.

Right of first refusal

~~10.6~~10.5 If a Shareholder ceases to be a Shareholder in the Company for any reason, the Shareholder must offer its Shares to the remaining Shareholders pro rata to their respective shareholdings.

~~10.7~~10.6 No Shareholder is entitled to terminate this document except as expressly permitted in this document.

Effect of termination

~~10.8~~10.7 Any termination of this document with respect to a Shareholder or a MWPE does not affect any accrued rights that Shareholder or that MWPE may have against the other parties to this document or which the other parties to this document may have against it.

~~10.9~~10.8 Clause ~~11~~ continues to apply to the parties despite any termination of this document.

11 Confidential Information

Confidentiality

11.1 Each party must keep, and must ensure that its nominated and/or appointed Committee Member and Representative shall keep, confidential the terms of this document, the contents of all negotiations leading to its preparation and any other information relating to the Company or to another Shareholder that it obtains as a result of this document or anything done under it (**Confidential Information**), and must not disclose or permit the disclosure of such Confidential Information to any other person. If a party becomes aware of a breach of this obligation, that party will immediately notify the other parties.

Further permitted use and disclosure

- 11.2 This document does not prohibit the disclosure of Confidential Information by a party in the following circumstances:
- 11.2.1 The other parties have consented to the disclosure of the relevant Confidential Information.
 - 11.2.2 The disclosure is specifically contemplated and permitted by this document.
 - 11.2.3 The disclosure of Confidential Information is to an employee, subcontractor, agent or representative who needs it for the purposes of this document.
 - 11.2.4 The disclosure is to a professional adviser in order for it to provide advice in relation to matters arising under or in connection with this document.
 - 11.2.5 The disclosure is required by a court or governmental or administrative authority.
 - 11.2.6 The disclosure is required by applicable law or regulation, including under the Local Government Official Information and Meetings Act 1987.

Obligations to continue after agreement ends

- 11.3 All obligations of confidence set out in this document continue in full force and effect after this document ends.

12 Announcements

- 12.1 Each ~~Shareholder party~~ agrees that it will not make any public announcements or issue media releases in connection with, or on behalf of, the other ~~Shareholders parties~~ or the Wellington Water Committee in relation to the Company or Water Services. Nothing in this provision shall prohibit or restrict a Shareholder from making ~~a~~ public announcements or media releases in connection with the Shareholder's own involvement with, or policies in relation to, the Wellington Water Committee or the Company.
- 12.2 Only the Chairperson of the Wellington Water Committee or their nominee shall be authorised to make public announcements or media releases in connection with or on behalf of the Wellington Water Committee in relation to the Company or ~~any~~ Water Services.

13 Notices

Giving notices

- 13.1 Any notice or communication given to a party under this document is only given if it is in writing and sent in one of the following ways:
- 13.1.1 Delivered or posted to that party at its address and marked for the attention of the ~~relevant department or officer (if any) set out below. Representative; or~~

Shareholders' Agreement

13.1.2 Emailed to that party at its email address and marked for the attention of Representative ~~set out below,~~

WCC

Address: [101 Wakefield Street, Wellington, 6011]
Email: kevin.lavery@wcc.govt.nz
Attention: Chief Executive

HCC

Address: [Council building, 531 High Street, Lower Hutt, 5010]
Email: tony.stallinger@huttecity.govt.nz
Attention: Chief Executive

UHCC

Address: [838 Fergusson Drive, Upper Hutt, 5018]
Email: ehrlis.upton@uhcc.govt.nz
Attention: Chief Executive

PCC

Address: [16 Cobham Court, Porirua, 5022]
Email: gsimpson@pcc.govt.nz
Attention: Chief Executive

GWRC

Address: Shed 39, 2 Fryatt Quay, Wellington 6011
Email: david.benham@gw.govt.nz
Attention: Chief Executive

in each case using the contact details notified by each party to the other parties and the Company from time to time (although subject to clause 13.2).

Change of details

13.2 If a party gives the other partyparties and the Company three business days' notice of a change of its postal address or email address, any notice or communication is only given by that other party if it is delivered, posted or emailed to the latest postal address or email address.

Time notice is given

13.3 Any notice or communication is to be treated as given at the following time:

13.3.1 If it is delivered, when it is left at the relevant address.

13.3.2 If it is sent by post, two business days after it is posted.

Shareholders' Agreement

- 13.3.3 If it is sent by email, when it is received in readable form addressed in the manner specified above.
- 13.4 However, if any notice or communication is given, on a day that is not a business day or after 5pm on a business day, in the place of the party to whom it is sent it is to be treated as having been given at the beginning of the next business day.

14 Miscellaneous

Assignments and transfers

- 14.1 A party must not assign or transfer any of its rights or obligations under this document without the prior written consent of each of the other parties.

Costs

- 14.2 Except as otherwise set out in this document, each party must pay its own costs and expenses, including legal costs and expenses, in relation to preparing, negotiating, executing and completing this document and any document related to this document.

Entire agreement

- 14.3 This document contains everything the parties have agreed in relation to the subject matter it deals with. No party can rely on an earlier written document or anything said or done by or on behalf of another party before this document was executed.

Execution of separate documents

- 14.4 This document is properly executed if each party executes either this document or an identical document. In the latter case, this document takes effect when the separately executed documents are exchanged between the parties.

Further acts

- 14.5 Each party must at its own expense promptly execute all documents and do or use reasonable endeavours to cause a third party to do all things that another party from time to time may reasonably request in order to give effect to, perfect or complete this document and all transactions incidental to it.

Inconsistency with Constitution

- 14.6 If there is any inconsistency between this document and the Constitution then the parties agree to abide by this document and to do everything required to change the Constitution so that it is consistent with this document.

No partnership or agency

- 14.7 Nothing contained or implied in this document will create or constitute, or be deemed to create or constitute, a partnership between the parties. A party must not act, represent or hold itself out as having authority to act as the agent of or in any way bind or commit the other parties to any obligation.

Privity

14.8 Nothing in this agreement gives any right to a person not named as a party to this agreement, and no such person is entitled to make a claim against any party to this agreement.

No reliance on other matters

14.814.9 Each of the parties acknowledges that in agreeing to enter into this document it has not relied on any representation, warranty or other assurance except those set out in this document.

Severability

14.914.10 Each provision of this document is individually severable. If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction it is to be treated as being severed from this document in the relevant jurisdiction, but the rest of this document will not be affected.

Variation

14.1014.11 No variation of this document will be of any force or effect unless it is in writing and signed by the parties to this document.

Waivers

14.1114.12 A waiver of any right, power or remedy under this document must be in writing signed by the party granting it. A waiver is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.

14.1214.13 The fact that a party fails to do, or delays in doing, something the party is entitled to do under this document does not amount to a waiver.

15 Definitions and interpretation

Definitions

15.1 In this document the following definitions apply:

Alternate means in relation to a ~~Shareholder~~Committee Member, an alternate to that ~~Shareholder's appointed~~ Committee Member, to attend and vote at meetings of the Wellington Water Committee but only where the relevant ~~Shareholder's appointed~~primary Committee Member is unable to do so.

Board means the board of directors for the time being of the Company.

Board Skills Matrix means the board skills matrix set out in Schedule 1 as amended from time to time by approval of the Wellington Water Committee.

Shareholders' Agreement

Class A Shares means Shares in the Company entitling the holder of those Shares to vote at a meeting of the Shareholders on any resolution. No other rights or obligations attach to the Class A Shares.

Class B Shares means Shares in the Company entitling the holder to an equal share in any dividends authorised by the Board and an equal share in the distribution of surplus assets of the Company. No other rights or obligations attach to the Class B Shares.

Committee Member means a member of the Wellington Water Committee.

Companies Act means the Companies Act 1993.

Confidential Information has the meaning set out in clause 11.1.

Constitution means the constitution of the Company.

Director means a director for the time being of the Company.

Independent Director means a Director jointly appointed by the ~~Shareholders jointly by agreement parties~~ (including pursuant to authority delegated to the Wellington Water Committee) and who is neither a member (including Councillors and Mayors) of any Shareholder, nor a person employed by any Local Authority (as defined under the LGA~~-~~) or any MWPE.

Insolvency Event in relation to a party means anything that reasonably indicates that there is a significant risk that that party is or will become unable to pay its debts as they fall due. This includes any of the following:

- (a) The party's liabilities exceed its assets.
- (b) A meeting of the party's creditors being called or held.
- (c) A step being taken to liquidate the party.
- (d) A step being taken to have a receiver, receiver and manager, administrator, liquidator or provisional liquidator appointed to the party or any of its assets or such an appointment taking place.
- (e) The party entering into any type of arrangement with, or assignment for, the benefit of all or any of its creditors including any formal arrangement or compromise under the Companies Act.
- (f) The party ceases or threatens to cease to carry on its main business.

Letter of Expectation means a letter ~~from the Shareholders~~ to the Board setting out the expectations of the ~~Shareholders parties~~ in relation to the Company's Statement of Intent. The process for agreeing such a letter is set out in clause 6.

LGA means the Local Government Act 2002.

Shareholders' Agreement

Mana Whenua Partner Entity or MWPE means a Māori authority jointly approved by the Shareholders as contemplated in clauses 2.2 and 2.3.

Related Person has in relation to companies and natural persons, the same meaning as 'Related company' and 'Relative' under the Companies Act 1993 and in relation to the trustees of a trust includes the settlor and beneficiaries of the trust and any person holding the power to appoint and remove trustees or beneficiaries of the trust.

Representative means any person appointed by a Shareholder party to this document as its representative for the purposes of this document, including as the primary point of contact for the other Shareholders parties and to the Wellington Water Committee and, at the date of this agreement document, means the Chief Executive of each Shareholder and the Chair of each MWPE (or such other representative as notified in writing by the relevant MWPE to all other parties).

Security Interest includes a mortgage, debenture, charge, lien, pledge, assignment or deposit by way of security, bill of sale, lease, hypothecation, hire purchase, credit sale, agreement for sale on deferred terms, option, right of pre-emption, caveat, claim, covenant, interest or power in or over an interest in an asset and any agreement or commitment to give or create any such security interest or preferential ranking to a creditor including set off.

Service Level Agreement means a contract for provision of management services relating to Water Services between the Company and a Shareholder.

Shareholder means, at the relevant time, a shareholder in the Company and includes any person who subsequently becomes a shareholder. Where Shares are held by persons jointly, those persons are considered one Shareholder for the purpose of this document.

Shares means shares in the Company.

Statement of Intent means each statement of intent to be completed annually by the Board in accordance with the LGA.

Terms of Reference means the terms of reference of the Wellington Water Committee in the form set out in Schedule 3 as amended from time to time by agreement of the Shareholders parties.

Water Services means the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the Wellington region, for which the Company is responsible for managing and operating.

Wellington Water Committee means the joint committee formed by the Shareholders pursuant to clause clauses 3-13.1 and 3.2.

Interpretation

- 15.2 In the interpretation of this document, the following provisions apply unless the context otherwise requires:
- 15.2.1 Headings are inserted for convenience only and do not affect the interpretation of this document.
 - 15.2.2 A reference in this document to a business day means a day other than a Saturday or Sunday on which banks are open for business generally in Wellington, New Zealand.
 - 15.2.3 If the day on which any act, matter or thing is to be done under this document is not a business day, the act, matter or thing must be done on the next business day.
 - 15.2.4 A reference in this document to dollars or \$ means New Zealand dollars and all amounts payable under this document are payable in New Zealand dollars.
 - 15.2.5 A reference in this document to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision.
 - 15.2.6 A reference in this document to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced.
 - 15.2.7 A reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this document. Any schedules and attachments form part of this document.
 - 15.2.8 An expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency.
 - 15.2.9 Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.
 - 15.2.10 A word which denotes the singular denotes the plural, a word which denotes the plural denotes the singular, and a reference to any gender denotes the other genders.
 - 15.2.11 References to the word 'include' or 'including' are to be construed without limitation.
 - 15.2.12 A reference to this document includes the agreement recorded in this document.

Shareholders' Agreement

Execution and date

Executed as an agreement.

Date:

Wellington City Council by:

In the presence of:

.....
Authorised signatory

.....
Witness

.....
Name of authorised signatory (print)

.....
Name of witness (print)

.....
Designation of authorised signatory

.....
Occupation and address of witness

Hutt City Council by:

In the presence of:

.....
Authorised signatory

.....
Witness

.....
Name of authorised signatory (print)

.....
Name of witness (print)

.....
Designation of authorised signatory

.....
Occupation and address of witness

Upper Hutt City Council by:

In the presence of:

.....
Authorised signatory

.....
Witness

.....
Name of authorised signatory (print)

.....
Name of witness (print)

.....
Designation of authorised signatory

.....
Occupation and address of witness

Shareholders' Agreement

Porirua City Council by:

In the presence of:

.....
Authorised signatory

.....
Witness

.....
Name of authorised signatory (print)

.....
Name of witness (print)

.....
Designation of authorised signatory

.....
Occupation and address of witness

Wellington Regional Council by:

In the presence of:

.....
Authorised signatory

.....
Witness

.....
Name of authorised signatory (print)

.....
Name of witness (print)

.....
Designation of authorised signatory

.....
Occupation and address of witness

Schedule 1

Board Skills Matrix

BOARD SKILLS MATRIX

Each Director of the Company must have the skills, knowledge, or experience to:

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

In making all Director appointments, the parties to the Shareholders' Agreement should ensure that the Board collectively has the following attributes:

COLLECTIVE BOARD ATTRIBUTES

<u>BOARD SKILLS MATRIX</u>								
Each Director of the Company must have the skills, knowledge, or experience to:								
- guide the Company, given the nature and scope of its activities; and								
- contribute to the achievement of the objectives of the Company.								
<i>In making all director appointments, shareholders should ensure that the Board collectively has the following attributes:</i>								
<u>COLLECTIVE BOARD ATTRIBUTES</u>								
Candidates with the ability and willingness to:	-	Desira ble but	-	At least one director	-	Multip le direct	-	All directors

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Shareholders' Agreement

		not mandatory		ors							
1	Chair the Board		-√			√	-	-	-	-	Deleted Cells Formatted: Font: Bold
2	Participate fully in the life of the Board and on subcommittees as required					√	-	-	-	√	Deleted Cells Deleted Cells Formatted: Font: Not Bold
3	Demonstrate the individual attributes outlined below					√				√	Formatted: Font: Bold Formatted: Font: Bold
Relevant knowledge and experience in/of:							-	-	-	-	
4	Governance and leadership experience					√	-	-	-	√	Formatted: Font: Bold
5	Commercial strategic and business acumen				-√		-	√	-	-	Formatted: Font: Bold
6	Engineering, infrastructure asset planning and management		-√		-√	√	-	√	-	-	Formatted: Font: Bold Formatted: Font: Bold Formatted: Font: Not Bold
7	A strong understanding of the Wellington region and the local government context, including appreciation of public accountability		-√		-√	√	-	√	-	-	Formatted: Font: Bold Formatted: Font: Bold Formatted: Font: Not Bold
8	Practical, and preferably leadership experience in Water Services		-√			√	-	-	-	-	Formatted: Font: Bold Formatted: Font: Not Bold

			<p><u>acts accordingly and appropriately- Demonstrates a familiarity with the geographic area in which the Company is operating and iwi interests in that area</u></p> <p><u>- Demonstrates an understanding of Te Ao Māori and Tikanga Māori</u></p> <p><u>- Maintains, upholds, and proactively engages with, the principles of the Treaty of Waitangi</u></p> <p><u>- Demonstrates a commitment to kaitiakitanga and stewardship in relation to the natural environment.</u></p>				
14	Communication	-	<p>—Mediates constructively and effectively to resolve differences and conflict</p> <p>—Listens and asks questions to maximise own understanding of situations and contributes constructively to meetings</p> <p>—Applies political instinct and knowledge of the political context to relevant situations</p> <p>—Exhibits open and transparent communications skills</p>				
15	Decision Making	-	<p>—Makes decisions honestly and in good faith</p> <p>—Ability to take a wide perspective on issues and think strategically and critically</p> <p>—Encourages new initiatives and tries to be inventive and original when tackling issues and solving problems.</p>				

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		<ul style="list-style-type: none"> — Establishes decision-making criteria to determine the best outcome in line with Company and shareholder values — Undertakes effective analysis of both qualitative and quantitative data for problem solving, planning and decision making — Acquaints themselves fully with all the relevant facts, and consider whether expert advice is needed — Applies fluency with financial concepts to the review of internal financial reports — Contributes to the development of stretching but achievable goals, objectives and KPIs — Implements and monitors performance against KPIs and budgets in order to achieve outcomes and respond to changes in the Company's operating environment
46	Team Work	<ul style="list-style-type: none"> - — Ability to work positively honestly and proactively with the Chief Executive, Chair and other directors of the Company — Maintains oversight of the Company's organisational culture and the depth of management — Ability to work positively with Shareholding Councils, with an appreciation of their role as customers and shareholders (including recognising demands on them for transparency and accountability)
47	Strategic Leadership	<ul style="list-style-type: none"> - — Understands director responsibilities and can distinguish governance from management — Takes a proactive and forward thinking approach, identifying possible risks and opportunities, and encourages the continuous improvement of service provision to the councils — Demonstrates an affiliation with and passion for the Wellington region and maintains a commitment to the principles of the Treaty of Waitangi — Keeps up-to-date on Company and industry issues and opportunities and maintains relevant technical and professional expertise — Responds to and influences constructively future-focused strategic change management within the Company

		<ul style="list-style-type: none"> - <u>Strives to identify relevant financial, operating, market, health and safety, and legal risks and to ensure that best practice risk management is in place for the time</u> - <u>Assists with the high level development and oversight of resilience planning</u> - <u>Contributes to the Company's strategic and business planning including on a regional basis and champions the Company's vision and values</u>
--	--	--

REQUIRED INDIVIDUAL ATTRIBUTES FOR DIRECTORS

<u>13</u>	<u>Professionalism</u>	<ul style="list-style-type: none"> - <u>Demonstrates behaviours and commitment to the vision and values of the Company and its objectives and strategic direction</u> - <u>Empathy and clear understanding of the objectives of the parties to the Shareholders' Agreement</u> - <u>Common sense, integrity and a strong sense of public service ethic</u> - <u>Applies knowledge of the Companies Act and Local Government Act and knows when to seek advice</u> - <u>Recognises perceived and real conflict of interest situations, when to declare an interest and acts accordingly and appropriately</u>
<u>14</u>	<u>Communication</u>	<ul style="list-style-type: none"> - <u>Mediates constructively and effectively to resolve differences and conflict</u> - <u>Listens and asks questions to maximise own understanding of situations and contributes constructively to meetings</u> - <u>Applies political instinct and knowledge of the political context to relevant situations</u> - <u>Exhibits open and transparent communications skills</u>
<u>15</u>	<u>Decision Making</u>	<ul style="list-style-type: none"> - <u>Makes decisions honestly and in good faith</u>

		<ul style="list-style-type: none"> - <u>Ability to take a wide perspective on issues and think strategically and critically</u> - <u>Encourages new initiatives and tries to be inventive and original when tackling issues and solving problems.</u> - <u>Establishes decision-making criteria to determine the best outcome in line with Company and values of the parties to the Shareholders' Agreement</u> - <u>Undertakes effective analysis of both qualitative and quantitative data for problem solving, planning and decision making</u> - <u>Acquaints themselves fully with all the relevant facts, and consider whether expert advice is needed</u> - <u>Applies fluency with financial concepts to the review of internal financial reports</u> - <u>Contributes to the development of stretching but achievable goals, objectives and KPIs</u> - <u>Implements and monitors performance against KPIs and budgets in order to achieve outcomes and respond to changes in the Company's operating environment</u>
<u>16</u>	<u>Team Work</u>	<ul style="list-style-type: none"> - <u>Ability to work positively honestly and proactively with the Chief Executive, Chair and other directors of the Company</u> - <u>Maintains oversight of the Company's organisational culture and the depth of management</u> - <u>Ability to work positively with the parties to the Shareholders' Agreement, with an appreciation of their role as customers, shareholders and mana whenua representatives (including recognising demands on them for transparency and accountability)</u>
<u>17</u>	<u>Strategic Leadership</u>	<ul style="list-style-type: none"> - <u>Understands director responsibilities and can distinguish governance from management</u>

		<ul style="list-style-type: none"> - <u>Takes a proactive and forward thinking approach, identifying possible risks and opportunities, and encourages the continuous improvement of service provision to the client councils</u> - <u>Demonstrates an affiliation with and passion for the geographic area in which the Company is operating and maintains a commitment to the principles of the Treaty of Waitangi</u> - <u>Keeps up-to-date on Company and industry issues and opportunities and maintains relevant technical and professional expertise</u> - <u>Responds to and influences constructively future-focused strategic change management within the Company</u> - <u>Strives to identify relevant financial, operating, market, health and safety, and legal risks and to ensure that best practice risk management is in place for the time</u> - <u>Assists with the high level development and oversight of resilience planning</u> - <u>Contributes to the Company's strategic and business planning including championing the Company's vision and values</u>
--	--	---

Schedule 2

Matters requiring ~~Shareholder~~ approval or reflection in Statement of Intent

Part 1 - Matters requiring unanimous resolution of Shareholders

The unanimous agreement of the Shareholders is required for:

- changes to the Constitution;
- increases in share capital and the issue of further securities, share buybacks and financial assistance, excluding buybacks created as a result of the agreed termination provisions in the Service Level Agreement;
- any alteration of rights, privileges or conditions attaching to the Shares;
- any arrangement, dissolution, reorganisation, liquidation, merger or amalgamation of the Company; and
- "major transactions" as that term is defined in the Companies Act.

Part 2 - Matters to be restricted in the Statement of Intent

~~The Shareholders~~The parties to the Shareholders' Agreement agree that the Letter of Expectation will request that the Company ensures its Statement of Intent includes appropriate restrictions on the following matters:

- making a loan or borrowing money, except for any borrowings in the ordinary course of business of no more than \$1,000,000 in total;
- granting security over the assets of the Company, or granting an indemnity or guarantee other than in the ordinary course of business;
- making a material change in the nature of the Company's business or engaging in business activities outside the ordinary course of business;
- entering a new customer service level agreement, except in the form already agreed by the ~~Shareholders~~parties to the Shareholders' Agreement;
- entering into a partnership or joint venture, except in the ordinary course of business;
- acquiring a new business or shares in another company;
- starting or settling any legal or arbitration proceedings, except in the ordinary course of business; and
- transferring or disposing of real or intellectual property with a value of over \$200,000.

Shareholders' Agreement

Schedule 3

Form of Wellington Water Committee Terms of Reference

Wellington Water Committee

[See separate document]

Appendix

Common delegations

Governance oversight responsibilities

- Each Shareholder will delegate to the Committee the responsibilities and powers necessary to participate in and carry out the Committee's governance oversight responsibilities.

Shareholders' responsibilities

- Each Shareholder will delegate to its appointed Committee ~~member~~Member and, in accordance with these terms of reference, that person's ~~alternate~~Alternate, all responsibilities and powers in relation to the agreement of:
 - when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required (without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution); and
 - the appointment, removal and remuneration of Wellington Water Limited's directors.

Schedule 3

Form of Wellington Water Committee Terms of Reference

Wellington Water Committee

Purpose

The Wellington Water Committee ("the Committee") is established to:

- ~~Provide governance oversight of the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the areas of Lower Hutt City, Porirua City, Upper Hutt City and Wellington City ("the four cities");~~
- ~~Provide governance and leadership across issues which are related to the planning, delivery and management of water services to communities serviced by Wellington Water Limited;~~
- Provide governance oversight of Wellington Water Limited; ~~and, including by exhibiting good governance practice;~~
- Provide a forum for the representatives of Wellington Water Limited's shareholders (~~being Wellington Regional Council and the local authorities for the four cities~~) (~~"the Shareholders"~~) and mana whenua to meet, discuss and co-ordinate on relevant issues and, through their representatives, to exercise their powers; ~~and~~

Status

- ~~The Committee is a joint committee of the Lower Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council and Wellington Regional Council. Strive for consistency across all client councils so all customers receive a similar level of service.~~

Specific responsibilities

The Committee's responsibilities are:

Governance oversight responsibilities

~~Governance~~ Shareholder or mana whenua stakeholder governance oversight of Wellington Water Limited and of the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the geographical areas of the four cities Wellington Water Limited's operations, including by:

- Receiving and considering the half-yearly and annual reports of Wellington Water Limited;

Attachment 2 to Report 19.48

- Receiving and considering such other information from Wellington Water Limited as the Committee may request on behalf of the [Shareholders parties to the Shareholders' Agreement](#) and/or receive from time to time;
- Undertaking performance and other monitoring of Wellington Water Limited;
- Considering and providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) on proposals from Wellington Water Limited;
- Providing co-ordinated feedback, and recommendations as needed, on any matters requested by Wellington Water Limited or any [Shareholder of the parties to the Shareholders' Agreement](#);
- Providing recommendations to the [parties to the Shareholders' Agreement regarding regional studies which the Shareholders regarding the relevant network infrastructure owned by each Shareholder need to be cognisant of](#);
- Providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) regarding water conservation;
- Agreeing the annual Letter of Expectation to Wellington Water Limited;
- Receiving, considering and providing agreed feedback and recommendations to Wellington Water Limited on its draft statement of intent;
- Receiving, considering and providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) regarding Wellington Water Limited's final statement of intent.
- Agreeing when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required, without prejudice to Shareholder and ~~board~~[Board](#) rights to call meetings under Wellington Water Limited's constitution [and](#);
- Seeking and interviewing candidates for Wellington Water Limited's ~~board~~[Board](#) as needed and approving director appointments and/or removals;
- Approving the remuneration of directors of Wellington Water Limited;
- Monitoring the performance of the ~~board~~[Board](#) of Wellington Water Limited; and
- Providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) regarding changes to these terms of reference, the Shareholders' Agreement and the constitution of Wellington Water Limited.

[Shareholders' responsibilities](#)

~~To the extent that each Shareholder delegates its relevant powers to the Committee member it appoints, the Committee will provide a forum for the Shareholders to meet and exercise their powers in relation to Wellington Water Limited.~~

Membership

Attachment 2 to Report 19.48

The membership of the Committee will ~~total five persons, be~~ as follows: specified in the Shareholders' Agreement.

- ~~• One member appointed by Hutt City Council;~~
- ~~• One member appointed by Porirua City Council;~~
- ~~• One member appointed by Upper Hutt City Council;~~
- ~~• One member appointed by Wellington City Council; and~~
- ~~• One member appointed by Wellington Regional Council.~~

~~Each~~With the exception of the Committee Members nominated by the Mana Whenua Partners Entities, each appointee must be an elected member of the appointing Shareholder.

Chairperson

The Chairperson and Deputy Chairperson will be elected by the Committee once all Committee members have been appointed.

Quorum

For a meeting of the Committee to have a quorum, ~~three members~~a majority of Committee Members, or their appointed ~~alternates~~Alternates, must be present ~~; and the number making up the majority must include at least an equal number of Shareholder appointed Committee Members as MWPE nominated Committee Members.~~

Where the Committee is providing a forum for the Shareholders to meet and exercise their powers in relation to Wellington Water Limited, the requirements of Wellington Water Limited's constitution will prevail.

[Note: Clause 11.3 of the company's constitution provides that Directors shall be appointed and removed by the unanimous resolution of the ~~shareholders~~Shareholders. For this matter the quorum is therefore all ~~five members~~ Committee Members (or their ~~alternates.~~Alternates).]

Alternates

Each ~~member~~Committee Member appointed to the Committee must have an ~~alternate appointed by the relevant Shareholder. The alternate may attend and vote at meetings of the Committee, but only in the event that the primary member is unable to do so.~~Alternate.

Decision-making

The Committee will strive to make all decisions by consensus.

In the event that a consensus on a particular matter before the Committee is not able to be reached, each ~~member of the~~ Committee Member has a deliberative vote. In the situation where there is an equality of votes cast on a matter, the Chairperson does not have a casting vote and therefore the matter subject to the vote is defeated and the status quo is preserved.

Attachment 2 to Report 19.48

Other than for those matters for which the Committee has effective decision-making capacity through these ~~terms~~[Terms](#) of ~~reference~~[Reference](#), each Shareholder retains its full powers to make its own decisions on matters referred to it by the Committee [and on matters specified in Part 1 of Schedule 2 to the Shareholders' Agreement](#).

Standing Orders

The ~~Wellington Regional Council's~~ Standing Orders [of the party providing secretariat services to the Committee](#) apply, subject to the provisions for meeting quorum and decision making as set out in these terms of reference taking precedence.

Remuneration

Each Shareholder will be responsible for remunerating its representative on the Committee, [and their Alternate](#), for any costs associated with that person's membership ~~of~~[on](#) the Committee.

[Wellington Water Limited will be responsible for remunerating the Committee Members nominated by Mana Whenua Partner Entities, and their Alternates, for any costs associated with those persons' membership on the Committee.](#)

Administration

Reports to be considered by the Committee may be submitted by any of the Shareholders, [any of the Mana Whenua Partner Entities](#), or Wellington Water Limited.

Duration of the Committee

In accordance with clause 30(7) of Schedule 7 to the Local Government Act 2002, the Committee is not deemed to be discharged following each triennial election.

Appendix

Common delegations

Governance oversight responsibilities

- Each Shareholder will delegate to the Committee the responsibilities and powers necessary to participate in and carry out the Committee's governance oversight responsibilities.

Shareholders' responsibilities

- Each Shareholder will delegate to its appointed Committee ~~member~~Member and, in accordance with these terms of reference, that person's ~~alternate~~Alternate, all responsibilities and powers in relation to the agreement of:
 - when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required (without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution); and
 - the appointment, removal and remuneration of Wellington Water Limited's directors.

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New Zealand
Draft 9 November 2018 WGTN
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Constitution

~~[Wellington Water] Limited~~

~~**Final Draft: 27 August 2014**~~

~~**Note that change of name from Capacity Infrastructure Services Limited to be considered at Wellington Water Committee meeting on 11 September**~~

DLA Phillips Fox is a member of DLA Piper Group, an alliance of independent legal practices.

NMD / 1008805

Table of contents

1	Objectives and activities of the Company	1
	Objectives of the Company	1
2	Rights attaching to Shares	1
3	Shareholders	1
4	Other matters relating to Shares	2
	Board may issue Shares	2
	Restriction on issue and transfer	2
	Consolidation and subdivision of Shares	2
	Share repurchases	2
5	Pre-emptive rights on issue of new Shares.....	2
	Section 45 applies	2
	Transfer of Shares by the Company	2
6	Alteration of Shareholders' rights	3
	Special Resolution required.....	3
7	Transfer of Shares	3
	Right to transfer	3
	Restriction on transfer	3
	Transferor to remain holder until registration	3
	Form of transfer	3
	Delivery to Company	3
	Registration of transfer	4
	Power of Board to refuse or delay registration.....	4
8	Shareholder matters.....	4
9	Meetings of Shareholders.....	5
	Annual meetings	5
	Special meetings	5
	Resolution in lieu of meeting	5
	Shareholder Representatives	5
	Chairperson	5
	Management of the Company	5
	Notice of meetings to Class A Shareholders.....	6
	Entitlement to notice of meetings	6
	Methods of holding meetings.....	6
	Quorum	6
	Voting.....	7
	Poll	7
	Minutes	7
	Other proceedings	7
10	Shareholder proposals	8
	Notice to the Board.....	8
	Written statement.....	8
	Costs.....	8

11	Directors	8
	The Board	8
	Minimum and maximum number	9
	Appointment and removal.....	9
	Skills of Directors	9
	Collective skills of Board.....	9
	Vacation of office	9
	Authorisation of payment or other benefit	10
12	Directors' meetings	10
	Third Schedule to the Act not to apply	10
	Notice of meeting.....	10
	Methods of holding meetings.....	11
	Quorum.....	11
	Chairperson	11
	Voting.....	11
	Minutes	11
	Written resolution.....	12
	Committees.....	12
	Validity of actions.....	12
	Other proceedings	12
13	Powers of Directors	12
	Role of Directors	12
	Management of Company	12
	Exercise of powers by Board.....	12
	Delegation of powers	13
14	Interested Transactions	13
	Disclosure of interests	13
	Company's best interests	13
	Use of Company information	13
	Procedure for disclosure and use.....	13
15	Indemnity and insurance	13
	Indemnity for Directors	13
	Indemnities and insurance.....	13
	Definitions	14
16	Reporting	14
	Half yearly report	14
	Annual report	14
	Contents of reports on operations of the Company	14
	Protection from disclosure of sensitive information.....	15
	Statement of Intent	15
17	Auditor	15
18	Official information	15
19	Dividends	16
	Power to authorise.....	16
	Deductions.....	16

Entitlement Date	16
Unclaimed dividends.....	16
20 Method of contracting.....	16
Deeds.....	16
Written contracts.....	16
Other contracts	17
21 Definitions and Interpretation	17
Definitions	17
Interpretation.....	18
Conflict between the Act and this constitution.....	18

DRAFT

1 Objectives and activities of the Company

Objectives of the Company

- 1.1 The Company was incorporated on 9 July 2003.
- 1.2 The principal objectives of the Company are to:
 - 1.2.1 achieve the objectives of its Shareholders, both commercial and non-commercial as specified in the Statement of Intent;
 - 1.2.2 be a good employer;
 - 1.2.3 exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so; and
 - 1.2.4 conduct its affairs in accordance with sound business practice.

2 Rights attaching to Shares

- 2.1 The Class A Shares shall confer on the holder the rights specified in section 36(1)(a) of the Act
- 2.2 The Class B Shares shall confer on the holder the rights specified in section 36(1)(b) and section 36(1)(c) of the Act.
- 2.3 The Class B Shares will be issued at a subscription price of \$2000 per share.

3 Shareholders

- 3.1 The Shares in the Company are structured ~~so that each~~ in two classes, being Class A Shares and Class B Shares. Each Shareholder holds the Shares as set out in the share register for the Company.

set out below:

Name of Shareholder	Number of Class A Shares held	Number of Class B Shares held	Value of Class B Shares held (\$'000)
Wellington City Council	450	200	400
Hutt City Council	450	100	200
Upper Hutt City Council	450	40	80
Porirua City Council	450	60	120
Wellington Regional Council	450	75	150

4 Other matters relating to Shares

Board may issue Shares

4.1 Subject to the provisions of the Act and this constitution, the Board may issue, in such classes and on such terms as the Board thinks fit, any of the following:

- 4.1.1 Shares;
- 4.1.2 Securities that are convertible into or exchangeable for Shares;
- 4.1.3 Options to acquire Shares; or
- 4.1.4 Shares that are redeemable by the Shareholder;

provided that any such issue must first be approved by a Special Resolution of the holders of Class A Shares.

Restriction on issue and transfer

4.2 No shares may be issued or transferred to any person other than a Local Authority or a Council Controlled Organisation.

Consolidation and subdivision of Shares

4.3 The Board may do any of the following:

- 4.3.1 Consolidate and divide the Shares or the Shares of any Class in proportion to those Shares or the Shares in that Class.
- 4.3.2 Subdivide the Shares or the Shares of any Class in proportion to those Shares or the Shares in that Class.

Share repurchases

4.4 The Company may purchase or otherwise acquire Shares issued by it from one or more Shareholders and hold its own Shares.

Shareholders' Agreement

4.5 Each Shareholder shall be party to the Shareholders' Agreement, either by signing the Shareholders' Agreement when it was first put in place or by acceding to it by way of entry into a deed of accession in a form required by the Shareholders.

5 Pre-emptive rights on issue of new Shares

Section 45 applies

5.1 The pre-emptive provisions of section 45 of the Act apply to a new issue of Shares, unless waived in writing by a Special Resolution.

Transfer of Shares by the Company

5.2 Clause 5.1 applies to the transfer by the Company of Shares held by the Company in itself as if the transfer was an issue of new Shares by the Company.

6 Alteration of Shareholders' rights

Special Resolution required

- 6.1 Any action affecting the rights, privileges, limitations or conditions attached to any Shares by this constitution, the Act, or the terms on which the Shares were issued, must be approved by a Special Resolution.

7 Transfer of Shares

Right to transfer

- 7.1 Subject to the restrictions contained in this constitution, a Shareholder may transfer any Share by an instrument of transfer that complies with this constitution.

Restriction on transfer

- 7.2 A Shareholder who wishes to sell, transfer or otherwise dispose of the legal or beneficial interest in any Shares may only do so if:

7.2.1 that sale, transfer or disposal is first approved by Special Resolution; and

7.2.2 the transferee or recipient of the Shares is a Local Authority or a Council Controlled Organisation approved by all the other Shareholders.

- 7.3 A Shareholder must not do anything that has the purpose or effect of undermining or circumventing the restriction on the transfer of Shares set out in clause 7.2.

Transferor to remain holder until registration

- 7.4 The transferor of a Share will remain the holder of the Share until the name of the transferee is entered in the Share register of the Company.

Form of transfer

- 7.5 Every instrument of transfer of Shares must comply with all of the following provisions:

7.5.1 The form of the instrument of transfer must be any usual or common form or any other form approved by the Board.

7.5.2 The instrument of transfer must be signed or executed by or on behalf of the transferor.

7.5.3 Where the Shares being transferred are not fully paid up, the instrument of transfer must also be signed by, or on behalf of, the transferee.

Delivery to Company

- 7.6 An instrument transferring Shares must be delivered to the Company or to the agent of the Company who maintains the Share register of the Company, together with the Share certificate (if any) relating to the Shares to be transferred. The transferee must provide such evidence as the Board or the agent reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Shares.

Registration of transfer

- 7.7 On receipt of a form of transfer in accordance with clause 7.6, the Company must as soon as practicable enter the name of the transferee on the Share register as holder of the Shares, unless:
- 7.7.1 the Board resolves within 30 working days of receipt of the transfer to refuse or delay the registration of the transfer, and the resolution sets out in full the reasons for doing so;
 - 7.7.2 notice of the resolution, including those reasons, is sent to the transferor and to the transferee within 5 working days of the resolution being passed by the Board; and
 - 7.7.3 the refusal or delay in the registration is permitted by clause 7.8.

Power of Board to refuse or delay registration

- 7.8 Notwithstanding that a transfer of any Share may have been approved by Special Resolution, the Board may refuse or delay the registration of a transfer of any Share for any of the reasons set out below.
- 7.8.1 The Company has a lien on the Share.
 - 7.8.2 The Share is not fully paid up.
 - 7.8.3 The form of transfer in respect of the Share relates to more than one Class.
 - 7.8.4 The form of transfer is not accompanied by the certificate for the Share to which it relates (if a certificate has been issued) and such other evidence as the Directors may reasonably require of the right of the transferor to make the transfer.
 - 7.8.5 The holder of the Share has failed to comply with the terms of any contract with the Company relating to the Share.
 - 7.8.6 The Board considers that it would not be in the best interests of the Company to do so.
- 7.9 Pursuant to clause 7.2, the Board must refuse the registration of a transfer of any Share:
- 7.9.1 if the transfer has not been approved by Special Resolution of the Shareholders (excluding the transferor); or
 - 7.9.2 if the transferee is not a Local Authority or Council Controlled Organisation.

8 Shareholder matters

- 8.1 In the event of an amalgamation or any other change in the regional governance structure of a Shareholder, the Shareholders will meet and discuss the effect of the amalgamation on the shareholding structure of the Company and will exercise their voting rights to ensure that the shareholding percentages for both classes of shares remain reasonable as agreed by all Shareholders.

9 Meetings of Shareholders

Annual meetings

- 9.1 An annual meeting of Shareholders is to be held not later than 6 months after the balance date of the Company, and not later than 15 months after the previous annual meeting.
- 9.2 It will not be necessary for the Company to hold an annual meeting of Shareholders under clause 9.1 if everything required to be done at that meeting (by resolution or otherwise) is done by resolution in accordance with clause 9.4.

Special meetings

- 9.3 A special meeting of Class A Shareholders entitled to vote on an issue:
- 9.3.1 may be called at any time by the Board; and
 - 9.3.2 must be called by the Board on the written request of a Class A Shareholder.

Resolution in lieu of meeting

- 9.4 A resolution in writing signed by the requisite number of Class A Shareholders in accordance with section 122 of the Act is as valid as if it had been passed at a meeting of Class A Shareholders.

Shareholder Representatives

- 9.5 The Chief Executive of each Class A Shareholder is the Representative to receive notices of Shareholder meetings. They may appoint by notice in writing an alternate to act as the Representative. The notice must state whether the appointment is for a particular meeting or a specified term.
- 9.6 Class A Shareholders may participate at Shareholder meetings and exercise the right to vote by a Representative.
- 9.7 The Representative for a Class A Shareholder is entitled to attend and be heard at a meeting of Shareholders as if the Representative were the Class A Shareholder.
- 9.8 No Representative's appointment is effective in relation to a meeting unless it is produced to the Company before the start of the meeting.

Chairperson

- 9.9 If the chairperson of the Board is present at a meeting of Shareholders, he or she must chair the meeting.
- 9.10 If at any meeting of Shareholders, the chairperson of the Board is not present within 15 minutes of the time appointed for the meeting, or if the chairperson absences himself or herself from the meeting, the Class A Shareholders present may choose one of their number to be chairperson of the meeting.

Management of the Company

- 9.11 The chairperson of a meeting of Shareholders must allow a reasonable opportunity for Class A Shareholders at the meeting to question, discuss or comment on the management of the Company.

- 9.12 Class A Shareholders at a meeting of Shareholders may pass a resolution relating to the management of the Company. A resolution relating to the management of the Company passed by Class A Shareholders, other than as specifically set out in this constitution or the Shareholders' Agreement, at a meeting of Shareholders is not binding on the Board.

Notice of meetings to Class A Shareholders

- 9.13 An irregularity in a notice of a meeting is waived if all the Class A Shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such Class A Shareholders agree to the waiver.
- 9.14 Written notice of the time and place of a meeting (including an adjourned meeting) of Shareholders must be given to every Class A Shareholder entitled to receive notice of the meeting and to every Director and an auditor of the Company not less than 10 working days before the meeting (including an adjourned meeting).
- 9.15 The notice must state all of the following:
- 9.15.1 the nature of the business to be transacted at the meeting in sufficient detail to enable a Shareholder to form a reasoned judgement in relation to it; and
 - 9.15.2 the text of any resolution to be submitted to the meeting.
- 9.16 The failure to receive notice of a meeting by a Class A Shareholder, if correctly sent to their Representative, does not invalidate the proceedings at that meeting.

Entitlement to notice of meetings

- 9.17 The Shareholders who are entitled to receive notice of a meeting of Shareholders are, if the Board:
- 9.17.1 fixes a date for the purpose, those Shareholders whose names are registered in the Share register on that date; or
 - 9.17.2 does not fix a date for the purpose, those Shareholders whose names are registered in the Share register at the close of business on the day immediately preceding the day on which the notice is given.

Methods of holding meetings

- 9.18 A meeting of Shareholders may be held either:
- 9.18.1 by a number of Class A Shareholders, who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
 - 9.18.2 by means of audio, or audio and visual, communication by which all Shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

Quorum

- 9.19 No business may be transacted at a meeting of Shareholders if a quorum is not present.
- 9.20 A quorum for a meeting of Shareholders is present if Class A Shareholders or their Representatives are present who between them hold or represent a majority of the votes entitled to be cast on the business to be transacted at the Meeting.

- 9.21 If a quorum is not present within 30 minutes after the time appointed for the meeting:
- 9.21.1 in the case of a meeting called by the Board on the written request of Class A Shareholders pursuant to section 121(b) of the Act, the meeting is dissolved; and
 - 9.21.2 in the case of any other meeting, the meeting is adjourned to the same day two weeks later at the same time and place or to such other date, time and place as the Directors may appoint, provided that appropriate notice is given. If at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the Class A Shareholders or their Representatives present are a quorum.

Voting

- 9.22 In the case of a meeting of Shareholders assembled together in accordance with clause 9.18.1, unless a poll is demanded, voting by Class A Shareholders will be by whichever of the following methods is determined by the chairperson of the meeting, by:
- 9.22.1 voice; or
 - 9.22.2 show of hands.
- 9.23 In the case of a meeting of Shareholders held by means of audio, or audio and visual communication, unless a poll is demanded, voting at the meeting shall be by the Class A Shareholders signifying individually their assent or dissent by voice.
- 9.24 A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with clause 9.25.

Poll

- 9.25 At a meeting of Shareholders a poll may be demanded by a Class A Shareholder having the right to vote at the meeting, or the chairperson of the meeting.
- 9.26 A poll may be demanded either before or after the vote is taken on a resolution.
- 9.27 If a poll is taken, votes must be counted according to the votes attached to the Class A Shares of each Class A Shareholder present in person or by Representative and voting.
- 9.28 The chairperson of a Shareholders' meeting is not entitled to a casting vote.

Minutes

- 9.29 The Board must ensure that minutes are kept of all proceedings at meetings of Shareholders.
- 9.30 Minutes that have been signed correct by each of the Class A shareholders present at the meeting are prima facie evidence of the proceedings.

Other proceedings

- 9.31 Except as provided in this constitution, a meeting of Shareholders may regulate its own procedure.

10 Shareholder proposals

Notice to the Board

- 10.1 A Class A Shareholder may give written notice to the Board of a matter the Class A Shareholder proposes to raise for discussion or resolution at the next meeting of Shareholders at which the Class A Shareholder is entitled to vote.
- 10.2 If the notice is received by the Board not less than 20 working days before the last day on which notice of the relevant meeting of Shareholders is required to be given by the Board, the Board must, at the expense of the Company, give notice of the Shareholder proposal and the text of any proposed resolution to all Class A Shareholders entitled to receive notice of the meeting.
- 10.3 If the notice is received by the Board not less than 5 working days and not more than 20 working days before the last day on which notice of the relevant meeting of Shareholders is required to be given by the Board, the Board must, at the expense of the Class A Shareholder, give notice of the Class A Shareholder proposal and the text of any proposed resolution to all Shareholders entitled to receive notice of the meeting.
- 10.4 If the notice is received by the Board less than 5 working days before the last day on which notice of the relevant meeting of Shareholders is required to be given by the Board, the Board may, if practicable, and at the expense of the Class A Shareholder, give notice of the Class A Shareholder proposal and the text of any proposed resolution to all Class A Shareholders entitled to receive notice of the meeting.

Written statement

- 10.5 If the Directors intend that Class A Shareholders may vote on the proposal by Representative or by postal vote, they must give the proposing Class A Shareholder the right to include with the notice given by the Board a statement of not more than 1,000 words prepared by the proposing Class A Shareholder in support of the proposal, together with the name and address of the proposing Class A Shareholder.
- 10.6 The Board is not required to include with the notice given by the Board a statement prepared by a Class A Shareholder which the Directors consider to be defamatory, frivolous or vexatious.

Costs

- 10.7 Where the costs of giving notice of the Class A Shareholder proposal and the text of any proposed resolution are required to be met by the proposing Class A Shareholder, the proposing Class A Shareholder must, on giving notice to the Board, deposit with the Company or tender to the Company a sum sufficient to meet those costs.

11 Directors

The Board

- 11.1 All Directors shall be Independent Directors.
- 11.2 Each Class A Shareholder is entitled to jointly appoint and remove Directors, subject to the maximum number of Directors permitted under this constitution.

- 11.3 Directors shall be appointed and removed by the unanimous resolution of the Class A Shareholders.
- 11.4 An appointee must not be a person disqualified from acting as a Director under the Companies Act 1993.

Minimum and maximum number

- 11.5 The minimum number of Directors shall be four and the maximum number of Directors shall be eight, or such other number fixed by Special Resolution.

Appointment and removal

- 11.6 Subject to clause 11.5, a Director may be appointed and removed from office at any time by the Class A Shareholders by written notice to the Company.

Skills of Directors

- 11.7 Class A Shareholders may appoint a person to be a Director of the Company only if the person has, in the opinion of the Class A Shareholders, the skills, knowledge, or experience to:

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

- 11.8 All Director appointments must be made in accordance with the Shareholders' Agreement, including the Board Skills Matrix.

Collective skills of Board

- 11.9 The Board must collectively have relevant knowledge and experience of finance, Water Services, public bodies, the Wellington region, the environment and resource management, relevant issues affecting mana whenua, and appropriate skills to assist the Company to contribute to relevant plans and strategies of the Shareholders in respect to the management and provision of Water Services.
- 11.10 The Board collective skills requirements are detailed in the Board Skills Matrix in the Shareholders' Agreement.

Vacation of office

- 11.11 A Director vacates office if that Director:
- 11.11.1 resigns by written notice of resignation to the Company. The notice is to be effective when it is received at that address or at a later time specified in the notice;
 - 11.11.2 is removed from office in accordance with clause 11.6;
 - 11.11.3 becomes disqualified from being a Director pursuant to section 151 of the Act; or
 - 11.11.4 dies.
- 11.12 Each Director can serve a maximum of 6 years after which they must either resign or be removed as Director by the Class A Shareholders, unless the Class A Shareholders agree to extend that Director's term of office.

Authorisation of payment or other benefit

- 11.13 Subject to clause 11.14, the Board may only exercise the power conferred by section 161 of the Act to authorise any payment or other benefit of the kind referred to in that section with the prior written approval of the Shareholder.
- 11.14 Payments or other benefits of the kind referred to in section 161 of the Act which are approved by the Board as at the date of adoption of this constitution are confirmed.

12 Directors' meetings

Third Schedule to the Act not to apply

- 12.1 The Third Schedule to the Act (relating to the proceedings of a board) does not apply to the Company except to the extent included in this constitution.

Notice of meeting

- 12.2 A Director or, if requested by a Director to do so, an employee of the Company, may convene a meeting of the Board by giving notice in accordance with clause 12.3.
- 12.3 The following provisions apply in relation to meetings of the Board:
 - 12.3.1 Not less than two working days' notice of a meeting of the Board is to be sent to each Director, unless the Director waives that right.
 - 12.3.2 Notice to a Director of a meeting of the Board may be:
 - (a) delivered to the Director;
 - (b) posted to the address given by the Director to the Company for such purpose;
 - (c) sent by facsimile transmission to the facsimile number given by the Director to the Company for such purpose; or
 - (d) sent by electronic means in accordance with any request made by the Director from time to time for such purpose.
 - 12.3.3 A notice of meeting shall specify the date, time and place of the meeting and, in the case of a meeting by means of audio, or audio and visual communication, the manner in which each Director may participate in the proceedings of the meeting.
 - 12.3.4 A notice given to a Director pursuant to this clause 12.3 is deemed to be given:
 - (a) in the case of delivery, by handing the notice to the Director or by delivery of the notice to the address of the Director;
 - (b) in the case of posting, three days after it is posted;
 - (c) in the case of facsimile transmission, when the Company receives a transmission report by the sending machine which indicates that the facsimile was sent in its entirety to the facsimile telephone number given by the Director; or
 - (d) in the case of electronic means, at the time of transmission.

- 12.4 An irregularity in the notice of a meeting or a failure to give notice is waived if all Directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all Directors agree to the waiver.
- 12.5 Notice of a meeting of the Board may be given to the public.

Methods of holding meetings

- 12.6 A meeting of the Board may be held either:
- 12.6.1 by a number of the Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
 - 12.6.2 by means of audio, or audio and visual, communications by which all Directors participating and constituting a quorum can simultaneously hear each other during the meeting.
- 12.7 Board meetings will be open to the public to attend although the Board at its sole discretion may exclude the public if it believes that the matters under discussion should not be made public.

Quorum

- 12.8 A quorum for a meeting of the Board, other than an adjourned meeting, is a majority of the Directors.
- 12.9 No business may be transacted at a meeting of the Board if a quorum is not present.

Chairperson

- 12.10 The Directors shall elect one of the Independent Directors as chairperson of the Board to hold office until he or she resigns or dies or until the Directors elect a different Independent Director in his or her place.
- 12.11 If at a meeting of the Board the chairperson is not present within 10 minutes after the time appointed for the meeting, or if the chairperson absences himself or herself from the meeting, the Directors present may choose one of their number to be chairperson of the meeting.

Voting

- 12.12 Every Director has one vote.
- 12.13 The chairperson does not have a casting vote.
- 12.14 A resolution of the Board is passed if a majority of the votes cast on it are in favour of it.
- 12.15 A Director present at a meeting of the Board will be presumed to have voted in favour of a resolution of the Board unless he or she:
- 12.15.1 expressly abstains from voting; or
 - 12.15.2 dissents from or votes against the resolution.

Minutes

- 12.16 The Board must ensure that minutes are kept of all proceedings at meetings of the Board.

Written resolution

- 12.17 A unanimous resolution in writing, signed or assented to in written form by all of the Directors, is as valid as if it had been passed at a meeting of the Board duly convened and held.
- 12.18 A resolution pursuant to clause 12.17 may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one or more Directors.
- 12.19 A copy of any such resolution must be entered in the minute book of Board proceedings.

Committees

- 12.20 A committee of Directors must, in the exercise of the powers delegated to it, comply with any procedural or other requirements imposed on it by the Board. Subject to any such requirements, the provisions of this constitution relating to proceedings of Directors apply, with appropriate modification, to meetings of a committee of Directors.

Validity of actions

- 12.21 An act or decision of the Board shall not be invalid by reason only of:
- 12.21.1 a fault, default ~~efor~~ irregularity in or in connection with the appointment of a Director; or
 - 12.21.2 a vacancy in the number of Directors including a vacancy arising because of the failure to appoint a Director.

Other proceedings

- 12.22 Except as provided in this constitution, the Board may regulate its own procedure.

13 Powers of Directors

Role of Directors

- 13.1 The role of a Director is to assist the Company to meet its objectives and any other requirements in the Company's Statement of Intent. This clause does not limit or affect the other duties that a Director has.

Management of Company

- 13.2 The business and affairs of the Company must be managed by, or under the direction of, the Board.
- 13.3 All decisions relating to the operation of the Company must be made by, or under the authority of, the Board in accordance with:
- 13.3.1 the Statement of Intent; and
 - 13.3.2 this constitution.

Exercise of powers by Board

- 13.4 The Board may exercise all the powers of the Company which are not required, either by the Act or this constitution, to be exercised by the Shareholders.

Delegation of powers

- 13.5 The Board may delegate to a committee of Directors, a Director, an employee of the Company, or to any other person, any one or more of its powers, other than a power set out in the Second Schedule to the Act.

14 Interested Transactions

Disclosure of interests

- 14.1 A Director must comply with the disclosure requirements of section 140 of the Act but failure to comply with that section does not affect the validity of any contract or arrangement entered into by the Company.

Company's best interests

- 14.2 When exercising powers or performing duties as a Director, a Director must act in what the Director believes to be the best interests of the Company.

Use of Company information

- 14.3 A Director who has information in his or her capacity as a Director or employee of the Company, being information that would not otherwise be available to him or her, must not disclose that information to any person, or make use of or act on the information, except:
- 14.3.1 for the purposes of the Company; or
 - 14.3.2 as required by law; or
 - 14.3.3 in accordance with clause 14.4 of this constitution; or
 - 14.3.4 in complying with clause 14.1 of this constitution.

Procedure for disclosure and use

- 14.4 A Director may disclose, make use of or act on the information if:
- 14.4.1 particulars of the disclosure, use or act in question are entered in the interests register; and
 - 14.4.2 the Director is first authorised to do so by the Board; and
 - 14.4.3 the disclosure, use or act in question will not, or will not be likely to, prejudice the Company.

15 Indemnity and insurance

Indemnity for Directors

- 15.1 Every Director will be indemnified by the Company for any costs referred to in section 162(3) of the Act and any liability or costs referred to in section 162(4) of the Act.

Indemnities and insurance

- 15.2 In addition to the indemnity set out in clause 15.1, the Company may with the prior written approval of the Board do any of the following:

- 15.2.1 Indemnify a Director or employee of the Company for any costs referred to in section 162(3) of the Act.
- 15.2.2 Indemnify a Director or employee of the Company in respect of any liability or costs referred to in section 162(4) of the Act.
- 15.2.3 Effect insurance for a Director or employee of the Company in respect of any liability or costs referred to in section 162(5) of the Act.

Definitions

- 15.3 Words given extended meanings by section 162(9) of the Act have those extended meanings in this clause 15.

16 Reporting

Half yearly report

- 16.1 Within 2 months after the halfway point of the Company's financial year, the Board must deliver to the Shareholders a report on the Company's operations during that half year. That report must include the information required to be included by the Company's Statement of Intent.

Annual report

- 16.2 Within 3 months after the end of the Company's financial year, the Board must deliver to the Shareholders, and make available to the public, a report on the Company's operations during that year. That report must include the information required to be included by:
 - 16.2.1 clause 16.3;
 - 16.2.2 the Company's Statement of Intent;
 - 16.2.3 the Local Government Act 2002; and
 - 16.2.4 the Act.

Contents of reports on operations of the Company

- 16.3 The annual report on the operations of the Company under clause 16.2 must:
 - 16.3.1 contain the information that is necessary to enable an informed assessment of the operations of the Company and its subsidiaries (if any), including:
 - (a) a comparison of the performance of the Company and its subsidiaries (if any) with the Statement of Intent;
 - (b) an explanation of any material variances between that performance and the Statement of Intent;
 - (c) state the dividend (if any) authorised to be paid or the maximum dividend proposed to be paid by the Company for its equity securities (other than fixed interest securities) for the financial year to which the report relates;
 - 16.3.2 include audited consolidated financial statements for that financial year for that organisation and its subsidiaries;

- 16.3.3 include an auditor's report on:
 - (a) those financial statements; and
 - (b) the performance targets and other measures by which performance was judged in relation to the Company's objectives.
- 16.4 The audited financial statements under clause 16.3.2 must be prepared in accordance with generally accepted accounting practice.

Protection from disclosure of sensitive information

- 16.5 Nothing in this clause 16 requires the inclusion in any Statement of Intent, annual report, financial statement, or half yearly report required to be produced under this constitution by the Company of any information that may be properly withheld if a request for that information were made under the Local Government Official Information and Meetings Act 1987.

Statement of Intent

- 16.6 Without limiting the obligations of the Board and the Company under the Local Government Act 2002 in respect to the Company's Statement of Intent, the Board must:
 - 16.6.1 deliver to the Shareholders a draft Statement of Intent on or before 1 March each year;
 - 16.6.2 consider any comments on the draft Statement of Intent that are made to it within 2 months of 1 March by the Shareholders or by any one of them; and
 - 16.6.3 deliver the completed Statement of Intent to the Shareholders on or before 30 June each year.
- 16.7 The Shareholders must each make a decision as to whether or not to approve the Statement of Intent and to provide modifications to each Statement of Intent within the time limits prescribed by the Local Government Act 2002 (or such earlier limits agreed to) so as to enable the Company to comply with applicable time limits.

17 Auditor

- 17.1 So long as the Company remains a Council Controlled Organisation, the Auditor-General shall be the auditor of the Company, and of every subsidiary of the Company (if any) and shall have all of the functions, duties and powers:
 - 17.1.1 of an auditor appointed under the Act; and
 - 17.1.2 that the Auditor-General has under the Public Audit Act 2001.

18 Official information

- 18.1 Parts 1 to 6 of the Local Government Official Information and Meetings Act 1987 apply to the Company as if it were a local authority under that act.
- 18.2 The Ombudsman Act 1975 applies to the Company as if the Company were listed in Part 3 of the First Schedule of that act.

19 Dividends

Power to authorise

- 19.1 The Board may, subject to the Act and this constitution, authorise the payment of dividends by the Company at times, and of amounts, and in such form as it thinks fit and may do everything that is necessary or expedient to give effect to the payment of such dividends. Prior to authorising the payment of a dividend, the Board must be satisfied on reasonable grounds that the Company will immediately after payment of the dividend satisfy the solvency test.

Deductions

- 19.2 The Board may deduct from dividends payable to any Shareholder in respect of any Shares any of the following:
- 19.2.1 Unpaid calls, instalments or other amounts, and any interest payable on such amounts, relating to the specific Shares.
- 19.2.2 Amounts the Company may be called upon to pay under any legislation in respect of the specific Shares.

Entitlement Date

- 19.3 Dividends and other Distributions or payments to Shareholders will be payable to the persons who are registered as Shareholders on an entitlement date fixed by the Board.

Unclaimed dividends

- 19.4 Dividends or other monetary Distributions unclaimed for one year after having been authorised may be used for the benefit of the Company until claimed. All dividends or other monetary Distributions unclaimed for 5 years after having been authorised may be forfeited by the Board for the benefit of the Company. The Board may, nevertheless, agree to pay a claimant who produces evidence of entitlement.

20 Method of contracting

Deeds

- 20.1 A deed to be entered into by the Company may be signed on behalf of the Company by any of the following:
- 20.1.1 By 2 or more Directors of the Company.
- 20.1.2 A Director, or other person or persons authorised to do so by the Board, whose signature or signatures must be witnessed.
- 20.1.3 One or more attorneys appointed by the Company in accordance with section 181 of the Act.

Written contracts

- 20.2 An obligation or contract, which is required by law to be in writing and any other written obligation or contract which is to be entered into by the Company, may be signed on behalf of the Company by a person acting under the Company's express or implied authority.

Other contracts

- 20.3 An obligation or contract may be entered into on behalf of the Company orally by a person acting under the Company's express or implied authority.

21 Definitions and Interpretation

Definitions

- 21.1 In this constitution the following definitions apply:

Act means the Companies Act 1993 as amended from time to time.

Auditor-General means the Controller and Auditor-General appointed under the Public Audit Act 2001.

Board in relation to the Company means those Directors who number not less than the required quorum acting together as a board of directors.

Board Skills Matrix means the board skills matrix set out in Schedule 1 of the Shareholders' Agreement.

Class means a class of Shares having attached to them identical rights, privileges, limitations and conditions.

Class A Shareholders means the holders of the Class A Shares.

Class A Shares means Shares in the Company entitling the holder of those Shares to vote at a meeting of the Shareholders on any resolution pursuant to clause 2.1. No other rights or obligations attach to the Class A Shares.

Class B Shareholders means the holders of the Class B Shares.

Class B Shares means Shares in the Company entitling the holder to an equal share in any dividends authorised by the Board and an equal share in the Distribution of surplus assets of the Company pursuant to clause 2.2. No other rights or obligations attach to the Class B Shares.

Company means Wellington Water Limited.

Council Controlled Organisation has the meaning given to that term by the Local Government Act 2002.

Director means a person appointed as a director of the Company in accordance with this constitution.

Distribution has the meaning set out in section 2(1) of the Act.

Independent Director means a Director appointed by the Shareholders jointly by agreement and who is neither a member (including Councillors and Mayors) of nor a person employed by any local authority (as defined under the Local Government Act 2002).

Local Authority has the meaning given to that term by the Local Government Act 2002.

Representative means a person appointed as a Shareholder's Representative under clause 9.5.

Share means a share issued, or to be issued, by the Company including Class A Shares and Class B Shares.

Shareholder means a person whose name is entered in the share register of the Company as the holder for the time being of one or more Shares.

Shareholders' Agreement means any Shareholders' Agreement between the Shareholders of the Company governing the conduct of the Shareholders in relation to the Company that is notified by the Shareholders to the Board, as amended from time to time.

Special Resolution means a resolution approved by 75% of those Class A Shareholders entitled to vote and voting on the resolution.

Statement of Intent means each statement of intent to be completed by the Board in terms of the Local Government Act 2002.

Water Services has the meaning given that term by the Local Government Act 2002.

Interpretation

21.2 In this constitution, unless the context otherwise requires:

21.2.1 Except as specified in clause 21.1, words or expressions used in this constitution that are defined in the Act or the Local Government Act 2002 have the meaning given by the applicable act.

21.2.2 A reference to writing includes facsimile and electronic communications resulting in visible reproduction.

21.2.3 An expression referring to a natural person includes a company, trust, partnership, association, body corporate, Local Authority, Council Controlled Organisation or public authority.

21.2.4 A reference to any legislation or to any provision of any legislation (including regulations and orders) includes:

- (a) that legislation or provision as from time to time amended, re-enacted or substituted; and
- (b) any statutory instruments, regulations, rules and orders issued under that legislation or provision.

21.2.5 A reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this constitution.

21.2.6 A reference to the word 'include' or 'including' is to be construed without limitation.

21.2.7 A reference to a working day means a day other than a Saturday or Sunday on which banks are open for business generally in Wellington, New Zealand.

Conflict between the Act and this constitution

21.3 If there is any conflict between:

21.3.1 a provision in this constitution and a mandatory provision in the Act or the Local Government Act 2002; or

~~Constitution~~ Constitution

21.3.2 a word or expression defined or explained in the Act or the Local Government Act 2002 and a word or expression defined or explained in this constitution,

the provision, word or expression in the applicable act prevails.

DRAFT

Report 19.11
Date 14 February 2019
File CCAB-8-2083

Committee Council
Author Fiona Standen, Democratic Services Advisor

2019 triennial elections

1. Purpose

To provide Councillors with the timetable for the 2019 triennial local authority elections, and to seek a decision on the order in which candidates' names are to be arranged on the voting documents.

2. Background

The 2019 triennial elections will be held on Saturday 12 October 2019. The Single Transferable Vote electoral system applies to the Council's elections and planning for these elections has commenced.

3. Timetable

The timetable for the elections is set out in the Local Electoral Act 2001 (the Act) and the Local Electoral Regulations 2001 (the Regulations).

A copy of the timetable for the 2019 elections is included as [Attachment 1](#) to this report. The dates of principal interest to the public are shown in bold type.

4. Method of voting

Territorial authorities carry out much of the work for the regional council elections. Decisions on the method of voting can be made by territorial authorities but not a regional council. The method used for regional council voting within the district of a territorial authority must be the same method used by the territorial authority.

Territorial authorities are required to consult with regional councils on the method of voting.

Currently, the Regulations allow for postal and/or booth voting methods to be used.

4.1 Preferred method

It would be appropriate for the Council to provide an indication of its preferred available method of voting, while recognising that it is the territorial authorities that make the decisions.

Since the 1989 reform of local government postal voting has been the standard option applied for all local authorities, subject to one instance of booth voting. The sole occurrence of booth voting was in the Hutt City Council area in 1992.

5. Order of names on voting papers

Clause 31(1) of the Regulations allows the Council to decide whether candidates' names are to be arranged on the voting documents in alphabetical order of surname, pseudo-random order or random order. In the absence of any Council resolution approving another arrangement, the candidates' names must be arranged in alphabetical order of surname.

The features of each arrangement are described as follows:

Option 1- Alphabetical order of surname

This is the option that is self-explanatory.

Option 2 – Pseudo-random order

Under this option, the candidates' names for each election are placed in a hat (or similar receptacle), mixed together, and then drawn out of the receptacle, with the candidates' names being placed on voting documents for that election in the order in which they are drawn.

Option 3 – Random order

This option was applied at the Council's 2013 and 2016 triennial elections.¹ Under this option, the names of the candidates for each election are shown in a different order on each and every voting document, utilising software which permits the names of the candidates to be laser printed in a different order on each paper.

Public notice

The Regulations provide that if a local authority has determined that pseudo-random order is to be used, the Electoral Officer must state, in the public notice required to be given, the date, time and place at which the order of the candidates' names will be arranged and any person is entitled to attend.

Option chosen by territorial authorities and district health boards within the Wellington Region

At the time of writing this report no council within the Wellington Region has resolved the order of their candidate names. Most councils will be making their resolutions over the coming month.

¹ Resolved at the Council meetings held on Wednesday 24 February 2016, Report 16.17, and Wednesday 20 March 2013, Report 13.48.

Below is a table setting out the name order option chosen by territorial authorities and district health boards in the Wellington Region for the 2016 elections.

Territorial authority/district health board	Order of Names	Voting method
Carterton District Council	Alphabetical	FPP
Hutt City Council	Alphabetical	FPP
Kāpiti Coast District Council	Alphabetical	STV
Masterton District Council	Alphabetical	FPP
Porirua City Council	Random	STV
South Wairarapa District Council	Alphabetical	FPP
Upper Hutt City Council	Alphabetical	FPP
Wellington City Council	Random	STV
Capital and Coast District Health Board	Random	STV
Hutt Valley District Health Board	Random	STV
Wairarapa District Health Board	Random	STV

Comments on various options

Alphabetical order

This is the simplest method for the elector. It is the method used at the parliamentary elections.

However, there is research to suggest that candidates with a surname starting at the top end of the alphabet may have an unfair advantage over others with a “lower” alphabetical ranking.

Pseudo-random order

This system could possibly be more difficult for the elector to locate the candidate they wish to vote for, especially if there are a large number of candidates standing for election.

Although it might resolve the issue (if there is one) of those candidates with a surname starting with the letter “A” or “B” etc. having an unfair advantage over those candidates whose surname starts with a middle or later letter of the alphabet, that advantage would then be given to the first few candidates whose names are drawn out of the hat.

Random order

This option suffers from the same (possible) difficulty for the elector as described under the “pseudo random” method.

Although it may not be particularly user friendly, this method is possibly the fairest to all candidates.

Other relevant matters

In its reviews of the 2010 and 2013 Local Government Elections the Justice and Electoral Committee recommended the order of candidate names on all ballot papers be completely randomised. At this time this recommendation has

not been implemented. The Parliamentary Review of the 2016 local government elections is still underway and is yet to be reported on.

6. Consideration of climate change

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

7. Communication

The Council's decisions relating to the voting method and the order of names on the voting document will be communicated to Electoral officers in territorial authorities and to the public in the necessary public notices.

8. The decision-making process and significance

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

8.1 Significance of the decision

Officers have considered the significance of the matter, taking into account the Council's significance and engagement policy and decision-making guidelines. Due to the procedural nature of this decision officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

8.2 Engagement

Due to its procedural nature and low significance, no engagement on this matter has been undertaken.

9. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Agrees that the names of the Wellington Regional Council candidates at the 2019 local authority elections are to be arranged on the voting paper in [choose one of the following]*
 - *alphabetical order of surname;*
 - *pseudo-random order; or*
 - *random order.*

4. *Agrees to advise territorial authorities in the Wellington Region that postal voting is the preferred method of voting under the options currently available.*

Report prepared by:

Fiona Standen
Democratic Services Advisor

Report approved by:

Francis Ryan
Manager, Democratic
Services

Report approved by:

Luke Troy
General Manager, Strategy

Attachment 1: 2019 Triennial election timetable

2019 Election Timetable

12 October 2019

2 March-30 April 2019	Ratepayer roll enrolment confirmation forms issued [Reg 16 LER]
2 March-6 July 2019	Preparation of ratepayer roll [Reg 10 LER]
May 2019	National ratepayer roll qualifications and procedures campaign [Sec 39 LEA]
1 July 2019	Electoral Commission enrolment update campaign commences
No later than 19 July 2019	Public notice of election, calling for nominations, advising when roll open for inspection [Sec 42, 52, 53 LEA]
19 July 2019	Nominations open/roll open for inspection [Sec 42 LEA]
16 August 2019	Nominations close (12 noon)/roll closes [Sec 5,42,55 LEA, Reg 21 LER]
21 August 2019	Public notice of day of election and candidate names [Sec 65 LEA]
No later than 16 September 2019	Electoral Officer certifies final electoral roll [Sec 51 LEA, Reg 22 LER]
20 September 2019	Electoral Commission letter sent to unpublished roll electors
20 September to 12 October 2019	Delivery of voting documents [Reg 51 LER] Progressive roll scrutiny [Sec 83 LEA] Special voting period [Sec 5 LEA, Reg 35 LER] Early processing [Sec 80 LEA]
No later than Noon Friday 11 October 2019	Appointment of scrutineers [Sec 68 LEA]
12 October 2019	Election Day [Sec 10 LEA] Voting closes 12 noon – counting commences [Sec 84 LEA] Preliminary results available as soon as practicable after close of voting [Sec 85, Reg 80A LER]
12-17 October 2019	Official count [Sec 84 LEA]
17-23 October 2019	Declaration/public notice of results [Sec 86 LEA]
By mid-December 2019	Return of election expenses and donations form [Sec 112A LEA]

NOTES:

LEA=Local Electoral Act 2001; LER = Local Electoral Regulations 2001;

EC= Electoral Commission



Report 2019.24
Date 18 February 2019
File CCAB-8-2085

Committee Council
Authors Miranda Cross, Team Leader, Policy Development

Additional delegation to the proposed Natural Resources Plan Hearing Panel

1. Purpose

To delegate the authority to the proposed Natural Resources Plan Hearing Panel to make minor amendments to the proposed Natural Resources Plan (proposed Plan) pursuant to Clause 16(2) of Schedule 1 of the Resource Management Act 1991.

2. Background

The proposed Natural Resources Plan Hearing Panel was established and delegated authority by Council to hear and decide on submissions on the proposed Natural Resources Plan on 30 September 2015 ([Report 15.338](#) refers). Decisions on submissions are due by 31 July 2019.

Legal advice is that these delegations to the Hearing Panel do not extend to any minor amendments to the proposed Plan – pursuant to Clause 16(2) of Schedule 1 of the Resource Management Act 1991. At this point in the process the Hearing Panel and officers consider that an additional delegation to the Hearing Panel in respect of Clause 16(2) would be the most efficient and effective means to enable such minor changes to be made.

Clause 16(2) of Schedule 1 of the Resource Management Act 1991 provides for amendments which are of a minor effect to be made to a proposed plan without using the First Schedule process (notification and hearings process). Clause 16(2) states:

“(2) A local authority may make an amendment, without using the process in this schedule, to its proposed policy statement or plan to alter any information, where such an alteration is of minor effect, or may correct any minor errors.”

Changes are only able to be made to the proposed Plan as notified if those changes are within the scope of submissions, or if the changes are of minor

effect or may correct any minor errors (there is significant case law on what constitutes a change of minor effect, which the Hearing Panel received legal submissions on during the course of the hearing).

If the Hearing Panel is not delegated this additional power, then any amendments made under Clause 16(2) must be individually identified and approved by the Manager, Environment Policy (where this delegation currently sits). In the context of the Hearing Panel process, officers do not consider it appropriate to exercise the officer delegation in this case; it would also require a significant amount of staff time to complete this task.

3. Comment

During the course of the hearing, the Hearing Panel turned their mind to Clause 16(2) in evidence from submitters and officers. The Hearing Panel has also advised that it has done so during deliberations and drafting of decisions on submissions.

The most effective and efficient approach is to provide this additional delegation. The responsibility of ensuring any minor changes are within the scope of Clause 16(2) would then rest with the Hearing Panel, which is appropriate.

4. Communication

No external communication is proposed as an outcome of the consideration of this report. The Hearing Panel will refer to Clause 16 changes in its report detailing the reasons for its decisions on submissions (under Clause 10 of the Resource Management Act 1991).

5. Consideration of climate change

The matter addressed in this report is of a procedural nature, and there is no need to conduct a climate change assessment.

6. The decision-making process and significance

6.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance as the matter is of a procedural nature.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

6.2 Engagement

Engagement on the matters contained in this report aligns with the level of significance assessed. In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

7. Recommendations

That the Council:

1. **Receives** the report.
2. **Notes** the content of the report.
3. **Delegates** to the Proposed Natural Resources Plan Hearing Panel the authority to make minor amendments to the proposed Natural Resources Plan pursuant to Clause 16(2) of Schedule 1 of the Resource Management Act 1991.

Report prepared by:

Miranda Cross
Team Leader, Environmental
Policy

Report approved by:

Matt Hickman
Manager, Environmental
Policy

Report approved by:

Francis Ryan
Manager, Democratic
Services

Report approved by:

Alistair Cross
General Manager,
Environment Management

Report	19.54
Date	18 February 2019
File	CCAB-8-2110
Committee	Council
Author	Helen Guissane, Programme Lead, Corporate Planning and Reporting

Summary report for the second quarter 2018/19

1. Purpose

To present a summary report of Greater Wellington Regional Council's achievements from 1 October 2018 to 31 December 2018 (Q2).

2. Background

The report included as [Attachment 1](#) provides an overview of key results in the first quarter. The report has been updated to reflect achievement against the Long Term Plan 2018-28, primarily to report our activities against the priority outcome areas.

The report includes:

- An update on key metrics
- Highlights relating to our high level outcomes/goals including progress of major projects
- An overview of Health and Safety and Wellbeing
- Financial summaries.

3. Communication

Matters in the report have been communicated through a variety of channels as relevant during the quarter. No external communication is proposed as an outcome of the consideration of this report.

4. Consideration of climate change

It is not necessary to conduct a climate change assessment for the report.

5. The decision-making process and significance

No decision is being sought in this report.

5.1 Engagement

Engagement on this matter is unnecessary.

6. Recommendations

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*

Report prepared by:

Report approved by:

Report approved by:

Helen Guissane
Programme Lead, Corporate
Planning and Reporting

Nicola Shorten
Manager, Strategic and
Corporate Planning

Luke Troy
General Manager, Strategy

Attachment 1: Summary report for the second quarter 2018/19

Council Quarterly Report

Q2 2018/19

1 October — 31 December



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

EXECUTIVE SUMMARY

This quarterly summary report includes:

- **key metrics and performance measures**
- **priority outcome area and core business summaries**
- **health, safety and wellbeing summary**
- **financial summary**

KEY METRICS

High quality public transport services

Percentage of services on-time - bus



TARGET
90%

YTD ACTUAL
92.1%

NB: Punctuality is reported for PTOM services only and is based on the interim Punctuality KPI measure under which operators performance is assessed.

Percentage of services on-time - train



TARGET
95% (Kapiti, Hutt, Johnsonville)

YTD ACTUAL 89.1%
(Kapiti 81.4%, Hutt 89.8%, Johnsonville 97.3%)



TARGET
80% (Wairarapa)

YTD ACTUAL
62.0% (Wairarapa)

Growth in public transport patronage

Percentage increases in number of passengers - bus



TARGET
1.0%

YTD ACTUAL
2.0%

NB: The YTD Actual figure includes all boardings, including transfers.

Percentage increases in number of passengers - train



TARGET
2.5%

YTD ACTUAL
4.2%

Maintained quality of freshwater

TARGET

Deposited fine sediment at each site for at least 10 of the 12 months does not exceed 20% cover

ACTUAL
(Oct, Nov, Dec)



KAIWHARAWHARA
@ NGAIO GORGE

Achieved



RUMAHANGA @
PUKIO

Achieved



HUTT @
BOULCOTT

Not achieved *



PORIRUA
STREAM

Achieved

* Two measurements made - both exceed baseline. Monthly measurements for the quarter are compared against the 2013–2016 baseline for this site (0 to 30% cover). If within the baseline, then WQ is 'maintained'.

Maintained quality of freshwater

TARGET

Zero contamination of drinking water from the tap

YTD ACTUAL
Achieved

KEY METRICS

Improved wellbeing, health and safety

Lost time injury frequency rate – number of incidents per 100k hours worked



Effective project management

Percentage of major projects with overall green status



Diversity and gender equality within GWRC

Gallup survey response to the question “Everyone at GWRC is treated fairly regardless of ethnic background, race, gender, age, disability or other differences not related to job performance”

TARGET

3.5/5 (Gallup survey undertaken yearly in April/May)



Engaged staff

Gallup overall employee engagement index



Compliance with statutory requirements under the LGA

Approval of Annual Plan within statutory timeframes

TARGET

Plan is approved by 30 June 2019.



Innovation – Assessment of progress towards developing a culture of innovation



Improved perception and understanding of Greater Wellington’s relevance by the community

Reputation Index:

- Performance
- Local leadership
- Communication and interaction

Deployment of new media strategies, particularly digital, social media

TARGET

Overall index of 30



* Targets based on Gallup survey undertaken yearly in April/May

Fresh water quality and biodiversity

The quality of the fresh water in our rivers, lakes and streams is maintained or improved, and our region contains healthy plant, bird and wildlife habitats.



2nd Quarter summary

Land management activities

Our application to the Ministry of Primary Industries (MPI) for the next four year contract through the 1 Billion Trees - Hill Country Erosion Fund (HCEF) has been approved, totalling \$7.6 million over four years. During the next quarter we will negotiate the contract with MPI to confirm milestones.

This financial year, over 17,000 poplar and willow poles were planted across 139 properties. In addition, three properties also carried out 94ha of afforestation work, of which about 18 hectares were native planting and reversion.

The priority catchment contestable fund has approved projects across 22 properties this financial year.

There has been increased awareness of the Riparian Programme. Notably, nine of the projects approved during the quarter were with landowners who have had no previous relationship with Greater Wellington.

Pest management activities

Public consultation concluded on the proposed Regional Pest Management Plan with 134 submissions received. Recommendations from the Hearing Committee have been drafted and are being reviewed.

Significant progress was made organising implementation of the Miramar Peninsula rat and mustelid eradication project for Predator Free Wellington Ltd.

The aerial rook nest control programme was completed on 15th October. With only 16 nests controlled in seven rookeries the programme is on track to achieve eradication of this pest from the region.

Response to complaints about rabbit numbers has increased markedly. A good breeding season and a poor response to the new K5 calicivirus are likely factors, as well as removing key predators (feral cats and mustelids).

Aerial spraying of willows covering 40 ha of the Tauherenikau Delta and Matthews Lagoon at Wairarapa Moana was completed.

A Cape tulip was found at a known site after five years of being cleared. This has reactivated the site and will be monitored for another five years.

The Regional Possum Predator Control Programme is over half completed. An aerial 1080 operation to control rats within the Pukaha/Mt Bruce Bird Reserve was completed.

Biodiversity activities

Around 80 people attended a workshop to discuss the implementation of the document *Biodiversity Offsetting under the Resource Management Act*.

A workshop for community restoration groups on recruiting and maintaining volunteers was held and workshops are being organised to support community restoration groups to upskill and provide an opportunity to network.

We jointly submitted to DoC and MFAT on our reporting requirements under the international Convention of Biological Diversity.

A new 38ha KNE site near Masterton has the rarest forest ecosystem type in the Wellington region (kahikatea, tōtara, mātai forest) with just 0.4% left of its original extent.

Fresh water quality and biodiversity

The quality of the fresh water in our rivers, lakes and streams is maintained or improved, and our region contains healthy plant, bird and wildlife habitats.



2nd Quarter summary (cont'd)

Te Awarua-o-Porirua Whaitua Committee is in the final stages of completing its Whaitua Implementation Programme (WIP). This will provide direction on a number of Greater Wellington activities with fresh water and harbour outcomes, and regulatory elements will be incorporated in the proposed Natural Resources Plan as part of a plan change. The draft WIP was presented by Committee members to a joint Te Upoko Taiao and Environment Committee workshop in December 2018. The final WIP will be presented in April.

Whaitua te Whanganui-a-Tara Committee has been established and has now had its first meeting (Q3). The Project Team for the process includes staff from across GW as well as officers from WCC, HCC, UHCC and Wellington Water. A communications and engagement plan has been initiated to create community awareness with the intention of holding public meetings to support the Committee's deliberations.

The total number of environmental incidents and pollution notifications rose from 271 in the previous quarter to 291 this quarter. Of significance is an increase in air discharge complaints (from 72 to 108) which includes odour and smoke notifications.

The compliance and monitoring programme is on target with no exceptional issues to report however there are a number of complex and/or significant investigations instigated in the last two quarters which may conclude in the next.

Major Project update

Proposed Natural Resources Plan									
The Proposed Natural Resources Plan First Schedule process, as set out in the Resource Management Act 1991									
Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	Public hearings for the proposed Plan have now been completed. The hearing panel is completing its deliberations and drafting the decisions on submissions. A change request has been approved for additional budget and savings on other programmes will be utilised to bring the overall funding position as close to FY budget as possible.								

2nd Quarter summary

Regional resilience

Our infrastructure is resilient to adverse events and supports our region's economic and social development.



Flood protection

The RiverLink project has been focused on preparing for the statutory processes and detail design work that will grant the necessary statutory approvals to commence construction in early 2020's. This statutory approvals work will start in the next quarter.

Excellent progress has been made on the Waiohine Floodplain Management Plan options, working with the community led Project Team. There is strong community support to expand this into a Living River Plan which will encompass other community aspirations for the river catchment.

The Mangatarere River catchment community (a tributary of the Waiohine) have indicated a strong desire to have their catchment included in the Living River Plan.

WREMO

A number of exercises were successfully completed during the quarter:

- Shakeout and Tsunami Hikoi 2018 on 18 October. The region recorded some of the highest participation rates in the country – one-third of all residents indicated they took part.
- Long Walk Home (Kapiti and Hutt Valley on 10 and 11 November. Over 155 people registered for the two events and WREMO staff were out in force. The Kapiti Long Walk home featured on TV One News.
- Exercise Ngateri. Between 14 and 28 November over 400 council staff took part in 13 table-top exercises to test emergency response services. The learnings from the exercise will be used to refine the 2019 training programme to ensure we have the right skills and knowledge to respond to large scale emergencies.
- Recover Workshops were run with over 50 cultural organisations to improve cultural awareness during recovery.

Major Projects update

RiverLink									
The proposed upgrade project combines Greater Wellington led flood protection works with components of the Hutt City Council led Making Places Project and the NZTA led Melling intersection improvements projects.									
Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	Riverlink has progressed to the next stage of preparing a notice of requirement and resource consent applications for the works. The impact of the review of the Melling Interchange portion of the project by NZTA to confirm how it aligns with the government's policy statement on transport may impact progress.								

2nd Quarter summary

Public transport

The Wellington region has a world-class integrated public transport network.



Implementation of the new bus network

A number of timetable adjustments and enhancements were made and planning was undertaken for further timetable enhancements.

Four of the hubs have now been completed (Brooklyn, Kilbirnie, Miramar and Wellington Hospital). A public transport user group was established to gain insights into public perceptions of the new network.

Together with NZTA, Greater Wellington commissioned an independent review of the implementation of the new bus network. The review was completed and reported to Council on 13 December.

We provided our second overview and update to the Transport and Infrastructure Select Committee.

Rail and trains

Work to upgrade the performance of the carriage air conditioning system for the Wairarapa trains was completed. This has increased the cooling capacity for the hottest days of summer.

The eight-carriage Wairarapa train began operating, providing an additional 30 seats on the service. This is almost a 7% increase in capacity. Changes in the Wellington yards to accommodate a nine-carriage train were undertaken and will be operational early 2019. This will add another 64 seats.

Almost \$200m of Rail Network Infrastructure investment was approved from NZTA to undertake catch-up of track infrastructure renewals and to unlock network capacity.

The tender for the Wellington Station Customer Information System was completed.

The driver simulator for Matangi has now been fully accepted and is being introduced to drivers and integrated in the training programme.

Pre-consultation on the draft Public Transport Plan (PT Plan) commenced during the quarter and will continue into mid-March 2019.

The national ticketing project is progressing with a shortlist of potential providers selected. The shortlist have been invited to participate in an RFP.

Regional transport planning and programmes

The business case for the regional transport analytics work was agreed and initial work on scoping the new entity is underway. Further discussion with the city and district councils has been delayed until the Let's Get Wellington Moving recommended programme is announced.

In November a national skill training programme based on the GW Pedal Ready programme was launched by the Associate Minister of Transport, Julie Anne Genter. Our staff will be training BikeReady instructors nation-wide.

Lets Get Wellington Moving

We are planning for the next stages of the project. The Governance Group is engaging with central government on the Recommended Programme of Investment, to agree funding and sequencing, with an announcement expected early this year; and early planning has commenced to set up the new entity to deliver the next stages.

Public transport

The Wellington region has a world-class integrated public transport network.



Major Projects update

Metlink Transition Programme

This programme follows on from the Public Transport Transformation Programme (PTTP). Its purpose is to complete the outstanding deliverables under PTTP and address issues arising from the launch

Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	Risks in this period largely related to operator ability to implement changes aligned to enhancement packages. The focus during the quarter was on risks associated with the February 3 timetable change. The timetable changes are expected to make a significant improvement to running times. Driver and fleet shortages remained the single most significant challenge over this period. Double-deckers scheduled to arrive early February are now due to arrive in March due to shipping delays. Some previously discontinued services have been reintroduced including Vogelstown to the city, a trial service from Wellington Station to the Zoo and 14e. A close out report for the project is being finalised.								

Integrated Fares & Ticketing – National Ticketing Programme (project NEXT)

The full electronic ticketing solution for Greater Wellington through a co-operative engagement with the National Ticketing Programme

Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	ROI evaluation for the ticketing solution was completed on schedule resulting in a strong shortlist of organisations - ensuring a competitive RFP. The financial services tender has been released to the market in January with strong initial indications of interest. The ticketing solution RFP is well underway with requirements workshops with all participating authorities. RFP release date is planned for Q4 2018/19. A possible increase in scope may impact timelines.								

PT Plan Review

The review is required to reflect changes to the Wellington Regional Land Transport Plan (RLTP). The 2014 PT Plan also needs updating to reflect significant progress on many major initiatives and policies in the current PT Plan

Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	In early December a Council workshop was held resulting in a pre-engagement document being circulated to statutory stakeholders. The project is running to schedule however timeframes are tight. The project risks remain high due to the high level of community interest in public transport matters and dependency with all aspects of public transport and Let's Get Wellington Moving.								

Leadership areas

Strong leadership and collaboration supports robust regional growth



2nd Quarter summary

Economic development

The draft Wellington Regional Investment Plan was developed and reviewed by the steering group. In addition, meetings with central government departments and Ministers were held to ensure the plan aligned with government desires and expectations.

Priorities for the Maori economic development strategy were progressed and meetings with TPK were undertaken to help progress the strategy.

Regional resilience initiatives

Work continues on the Northern Gateway Futures project. During the quarter an application for funding from the PGF to complete the Central NZ Supply Chain Network Study was submitted and we await the decision.

The business case for the Ferry Terminal remains in progress.

Climate change

A draft Regional 2050 Calculator has been completed, and a demonstration of the draft calculator explaining its features was given to the Wellington Regional Councillor Climate Change Working Group.

A first draft Regional EV Support Strategy was completed for discussion with the Wellington Region Councillor Climate Change Working Group in the next quarter.

Work on the community led coastal adaptation programme continues. The consultants are producing heat (colour coded) maps of vulnerability based on a wide range of criteria for the climate vulnerability assessment report.

Partnering with iwi

A second workshop on the partnership was held during the quarter. Council and Ara Tahi had the opportunity to progress a vision for the partnership.

Work on a programme to raise the bi-lingual capability within the council continued, including a programme for elected members which is due to be delivered in the next quarter.

Three regional OHU committees have now been formed to embed the key strategic values and aspirations in the following areas:

- Climate Change
- Māori Economy
- Biodiversity.

Greater Wellington is working with other stakeholders to support regional events and in particular will be involved in supporting:

- Waitangi Day celebrations in Kapiti
- Matatini.

Leadership areas

Strong leadership and collaboration supports robust regional growth

Major Projects update

Central NZ Supply Chain									
A Programme for the future of the northern gateway of Wellington, including the Port, Ferry Terminal and related transport network connections									
Overall		Timing		Budget		Issues		Risks	
Commentary	<p>Supply Chain: The application for funding from the PGF funding to complete the Central NZ Supply Chain Network Study was submitted. The PGF funding decision has not yet been made.</p> <p>Ferry Terminal: The business case remains in progress based on the two shortlisted sites, taking into account the outputs of design and resilience workshops.</p>								

Wellington Regional Investment Plan									
Working with the region's territorial authorities, NZTA and WREDA to develop a Wellington Regional Investment Plan. This will be an action plan that identifies and prioritises existing and new opportunities for investment across the region and will enable a conversation on the priorities and opportunities for partnership with Government and other partners.									
Overall		Timing		Budget		Issues		Risks	
Commentary	A draft plan was completed and sent to the steering group for comment. Meetings with central government departments and Ministers were held to get buy in on the draft plan and agreement to work with the region on priorities and projects.								

Let's Get Wellington Moving									
Taking a fresh look at the entire transport system in central Wellington to identify a package of improvements that support community aspirations and strategic objectives for the city in terms of its look, feel and function									
Overall		Timing		Budget		Issues		Risks	
Commentary	The LGWM Governance Group is currently engaging with central government on the RPI, to agree funding and sequencing, with an announcement expected early 2019. Early planning has commenced to set up the new entity to deliver the next stages.								

2nd Quarter summary

Core business

Taking care of the things that matter

Parks and harbours

Over the quarter two long-awaited projects were completed and open for use by Christmas – the Baring Head vehicle bridge and the Kaitawa Pou carpark and viewing area at Whitireia Park. Planning was finalised and work commenced across the parks network, most notably the multi-use track from Hill Road to Old Coach Road in Belmont Regional Park. Community response has been positive to the concepts and process to date regarding the coastal infrastructure retreat at Queen Elizabeth Park.

The summer boating season is in full swing, along with our education and enforcement programmes.

Organisational excellence

Social media response to various public campaigns has been overall favourable, in particular the Summer Events and some events booked out within days.

Overall, Greater Wellington's profile has significantly increased with 2,930 mentions with most commentary occurring in the online media. However, 70% of this coverage was negative.

Major Projects update

Optimus – Core Systems Refresh

To replace Core System (Finance, HR/Payroll and Asset Management) to rectify many issues with the current installation of SAP)

Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	Requirements gathering and design workshops are well underway. Roadshows to present Optimus to the main GW locations were well received. Re-planning underway and likely to extend design by 6-8 weeks due to the need to strengthen integration that will increase productivity and uptake benefits later in the project.								

GW Future Accommodation Programme

Address Greater Wellington's long term accommodation requirements for the Wellington and Masterton based staff

Overall	●	Timing	●	Budget	●	Issues	●	Risks	●
Commentary	Council approved the preferred option for the Wellington office long term accommodation on December 13 2018, and the detailed responses for Masterton long term accommodation have been received.								



Health and Safety and Wellbeing

2nd Quarter update

In this quarter 44 staff received injuries ranging from Medical Treatment Injuries to first aid/pain and discomfort injuries. One Lost Time Injuries (LTI) to Greater Wellington staff in the period.

Eighty nine near miss and hazard identifications were reported in the period. The total reported for the year so far is 236.

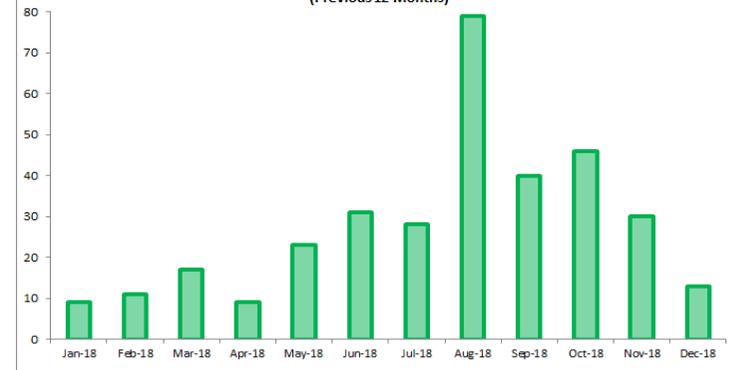
In the Wellbeing Strategy area events were held to promote both Mental Health and Breast Cancer Awareness week's.

The Health, Safety and Wellbeing Team supported the Masterton office move into new office with 70 personal workstation assessments completed, as well as a EAP Counsellor walk around as part of the "Demystifying EAP" work

Monthly Health, Safety and Wellbeing Toolbox resources continue to be developed and delivered to the organisation, with positive feedback and suggestions for new topic being received

Near Miss / Hazard ID Reporting

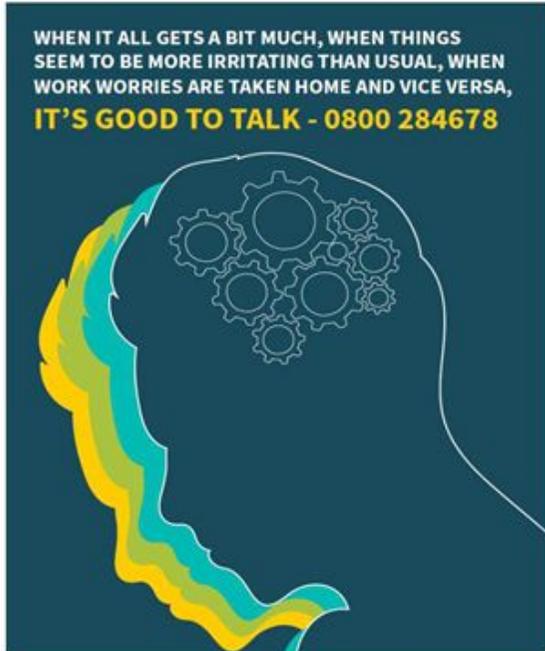
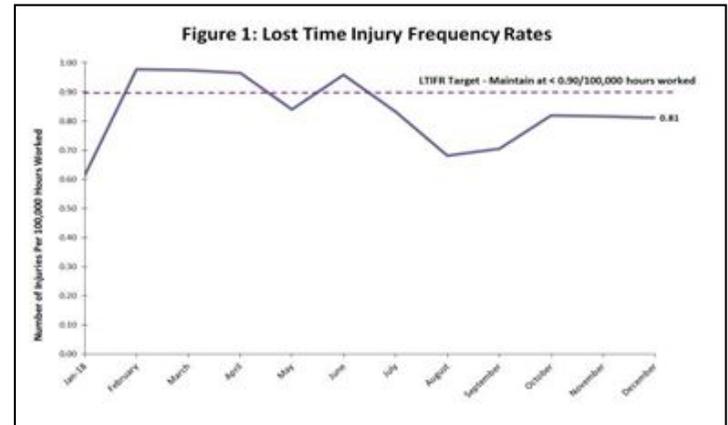
(Previous 12 Months)



Near miss reporting numbers continues to increase however the rate of this increase has slowed over the Q2

The Lost Time Injury Frequency Rate (LTIFR) is currently at 0.81 occurrences per 100,000 hours worked. The LTIFR performance target rate is 0.90 occurrences per 100,000 hours worked.

Figure 1: Lost Time Injury Frequency Rates



Monday 3rd December 11.45- 12.30,
meet & chat with an EAP counsellor
Wairarapa office



FULL YEAR FORECAST FINANCIAL SUMMARY

Council Summary

Forecast operating surplus (before capital grants and fair value changes) is \$0.6m unfavourable to budget. The variance is mainly driven by higher PTPP costs, Natural Resources plan hearing costs, timing of subvention revenue from CentrePort and lower NZTA grants and subsidies. This is partially offset by savings in the trolley bus decommissioning project, lower rail, bus and ferry operating costs, asset management and customer behaviours research.

Operating Revenue

Operating revenue is forecast to be \$0.6m favourable to budget, reflecting higher fair revenue due to growth in patronage, interests earned from the prefunding of debt and higher interest rates on deposits. This is partially offset by lower NZTA grants reflecting lower claimable costs.

Operating Expenditure

Operating expenditure is \$1.2m unfavourable to budget, primarily driven by changes to PTPP costs, additional interest expenses due to transferring \$44m loan from WRC Holding to Council to fund the investment in Centreport, Natural Resources plan hearing costs. This is partially offset by savings in the trolley bus decommissioning project and rail and bus operating costs.

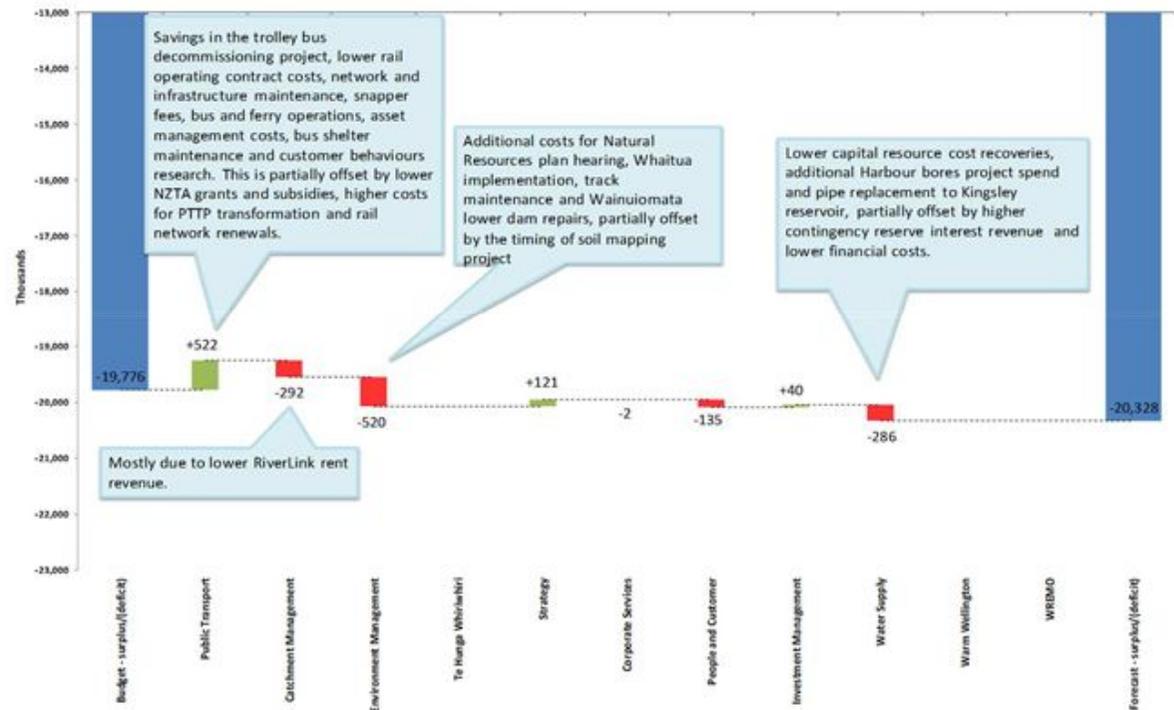
Capital Expenditure

Capital expenditure is forecast to be \$2.3m favourable to budget due to the timing on rolling stock and depot shunt, customer information systems, station upgrades, bus shelter and train heavy maintenance, Ngauranga Reservoir strengthening, Cross Harbour Pipeline project and strategic store initiative costs. This is partially offset by the timing of spend on bus hub, Omnibus and Interim Bus Ticketing solution.



Operating Surplus/(Deficit): Budget v. Forecast (full year)

(Numbers exclude Capex revenue)



FULL YEAR FORECAST FINANCIAL SUMMARY BY GROUP

Statement of Revenue and Expense by Business Group - Forecast vs Budget

	FULL YEAR			FULL YEAR			FULL YEAR		
	Operational Revenue			Operational Expenditure			Operational Surplus / (Deficit)		
\$000	Forecast	Budget	Variance	Forecast	Budget	Variance	Forecast	Budget	Variance
Group									
Public Transport	241,074	241,612	538	239,655	240,715	1,060	1,419	897	522
Catchment Management	40,083	40,293	210	31,254	31,172	82	8,829	9,121	292
Environment Management	31,723	31,723	0	26,847	26,328	520	4,876	5,396	520
Te Hunga Whiriwhiri	1,330	1,330	0	1,192	1,192	0	138	138	0
Strategy	13,305	13,329	24	14,085	14,229	145	(779)	(900)	121
Corporate Services	2,137	2,137	0	19,390	19,388	2	(17,254)	(17,252)	2
People and Customer	195	180	15	9,526	9,376	150	(9,330)	(9,195)	135
Investment Management	(4,784)	(6,003)	1,219	(2,872)	(4,051)	1,179	(1,912)	(1,952)	40
Water Supply	34,458	34,308	150	41,087	40,651	436	(6,629)	(6,342)	286
Warm Wellington	3,237	3,237	0	3,237	3,237	0	0	0	0
WREMO	3,999	3,999	0	3,684	3,684	0	314	314	0
TOTAL	366,757	366,145	612	387,085	385,921	1,164	(20,328)	(19,776)	552

Statement of Revenue and Expense

	FULL YEAR		
	Forecast	Total Budget	Variance
\$000			
OPERATING REVENUE			
Rates	128,874	128,874	0
Subsidies & Grants	73,206	73,468	262
Other Revenue	161,202	158,965	2,237
Finance Revenue	6,337	4,838	1,500
TOTAL REVENUE	369,620	366,145	3,474
OPERATING EXPENDITURE			
Personnel	50,166	49,989	176
Material & Contractor/Consultant	80,612	83,573	2,960
Depreciation & Amortisation	26,508	26,674	166
Grants & Subsidy	201,830	197,896	3,934
Finance Cost	23,368	22,528	840
Other Expense	7,311	5,261	2,050
TOTAL EXPENDITURE	389,794	385,921	3,873
OPERATING SURPLUS/(DEFICIT)	(20,174)	(19,776)	398
Subsidies & Grants - Capex	32,323	32,245	78
Fair Value Movement	8,907	8,907	0
SURPLUS/(DEFICIT)	21,056	21,376	320

Capital Expenditure by Business Group

	FULL YEAR		
	Forecast	Total Budget	Variance
\$000			
Group			
Public Transport (incl investment)	77,747	76,785	962
Catchment Management	17,525	18,203	678
Environment Management	6,669	6,839	170
Strategy	915	915	0
Corporate Services	10,563	10,433	130
People and Customer	700	700	0
Investment Management	771	250	521
Water Supply	11,597	14,645	3,048
TOTAL	126,487	128,770	2,283

DECEMBER YTD FINANCIAL SUMMARY

Council Summary

Actual operating performance (before capital grants and fair value changes) is \$6.3m favourable to budget. The variance relates to lower trolley bus decommissioning costs, higher interests earned from prefunding of debt, short-term investments and timing on expenditures across the groups. This is partially offset by lower NZTA grants, interest recoveries from business groups.



Operating Revenue

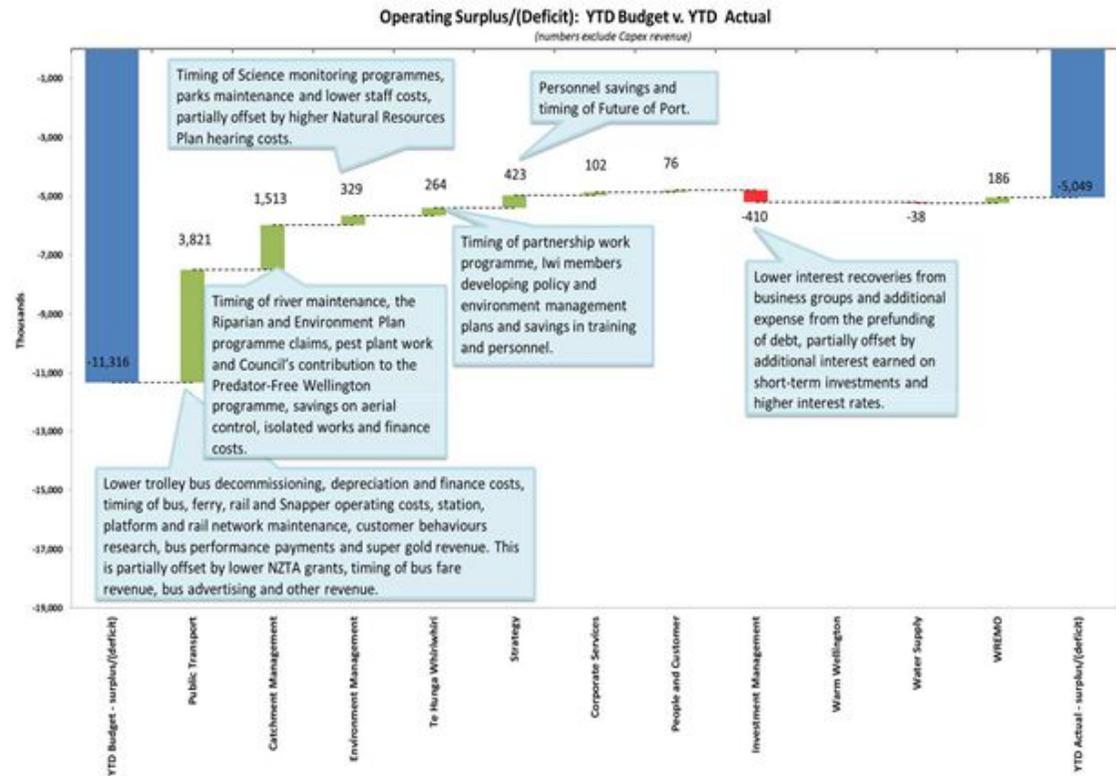
Operating revenue is \$3.4m unfavourable to budget, driven by lower NZTA grants, timing on bus fare revenue, project NEXT (integrated ticketing) revenue. This was partially offset by additional interests earned from the prefunding of debt, short-term investments and higher interest rates on deposits.

Operating Expenditure

Operating expenditure is \$9.7m favourable to budget, driven by lower Public Transport spend reflecting lower trolley bus decommissioning costs, timing of bus, ferry, rail and Snapper operating costs and activities across all groups. This is partially offset by lower interest recoveries in Investment group due to lower Capex spend across the Council.

Capital Expenditure

Capital expenditure is \$15.8m favourable primarily due to timing on rolling stock and depot shunt, customer information systems and Matangi 2 driver simulator and lower spend on station upgrades, train heavy maintenance, security-related rail improvements as well as timing variations in key programmes in Water Supply, Environment, and Corporate Services.



DECEMBER YTD FINANCIAL SUMMARY BY GROUP

Statement of Revenue and Expense by Business Group - Actual vs Budget

	YEAR TO DATE			YEAR TO DATE			YEAR TO DATE		
	Operational Revenue			Operational Expenditure			Operational Surplus / (Deficit)		
\$000	Actual YTD	Budget YTD	Variance	Actual YTD	Budget YTD	Variance	Actual YTD	Budget YTD	Variance
Group									
Public Transport	119,191	122,394	3,203	116,061	123,086	7,024	3,129	(691)	3,821
Catchment Management	20,762	20,764	2	15,030	16,545	1,515	5,732	4,219	1,513
Environment Management	15,616	16,057	440	12,288	13,057	769	3,328	2,999	329
Te Hunga Whiriwhiri	667	665	2	338	601	262	329	65	264
Strategy	6,027	6,665	638	5,314	6,375	1,061	713	290	423
Corporate Services	706	1,068	362	9,130	9,594	464	(8,424)	(8,526)	102
People and Customer	113	90	23	4,640	4,694	54	(4,527)	(4,604)	76
Investment Management	(2,932)	(3,948)	1,017	(396)	(1,823)	1,427	(2,536)	(2,126)	410
Water Supply	17,227	17,131	96	20,368	20,234	133	(3,141)	(3,103)	38
Warm Wellington	1,654	1,619	36	1,654	1,619	36	0	0	0
WREMO	2,070	1,999	71	1,723	1,839	116	347	161	186
TOTAL	181,101	184,504	3,403	186,150	195,820	9,670	(5,049)	(11,316)	6,267

Statement of Revenue and Expense

	YEAR TO DATE		
\$000	Actual YTD	Budget YTD	Variance
OPERATING REVENUE			
Rates	64,784	64,437	347
Subsidies & Grants	36,257	37,651	1,395
Other Revenue	77,373	80,943	3,570
Finance Revenue	2,686	1,472	1,214
TOTAL REVENUE	181,101	184,504	3,403
OPERATING EXPENDITURE			
Personnel	24,514	25,202	688
Material & Contractor/Consultant	38,412	43,320	4,907
Depreciation & Amortisation	12,438	13,337	900
Grants & Subsidy	95,424	99,583	4,158
Finance Cost	11,591	11,079	513
Other Expense	3,770	3,300	470
TOTAL EXPENDITURE	186,150	195,820	9,670
OPERATING SURPLUS/(DEFICIT)	(5,049)	(11,316)	6,267
Subsidies & Grants - Capex	11,542	17,261	5,719
Fair Value Movement	0	0	0
SURPLUS/(DEFICIT)	6,493	5,945	548

Capital Expenditure by Business Group

	YEAR TO DATE		
\$000	Actual YTD	Budget YTD	Variance
Group			
Public Transport (incl investment)	45,501	56,005	10,504
Catchment Management	7,697	7,970	273
Environment Management	1,533	2,231	698
Strategy	80	450	370
Corporate Services	2,322	3,361	1,039
People and Customer	74	335	261
Investment Management	780	200	580
Water Supply	2,789	5,973	3,184
TOTAL	60,777	76,526	15,749

Report 19.56
Date 18 February 2019
File CCAB-8-2106

Committee Council
Author Graeme Burnett - Senior Health, Safety & Wellbeing Advisor
Mike Ward, Senior Health, Safety & Wellbeing Advisor
Rachael Meikle, Health, Safety & Wellbeing Advisor

Health, Safety and Wellness update

1. Purpose

To inform Council on the health, safety and wellbeing performance of the organisation and associated activities.

2. Background

During the period from 1 December 2018 to 31 January 2019, a total of 82 health, safety and wellbeing-related events were recorded in Keeping Everyone Safe at Work (KESAW). Of these events, 59 related directly to activities of our staff and the other 23 related to reported events involving our response to events triggered by members of the public.

The following table is a breakdown of the events by outcome.

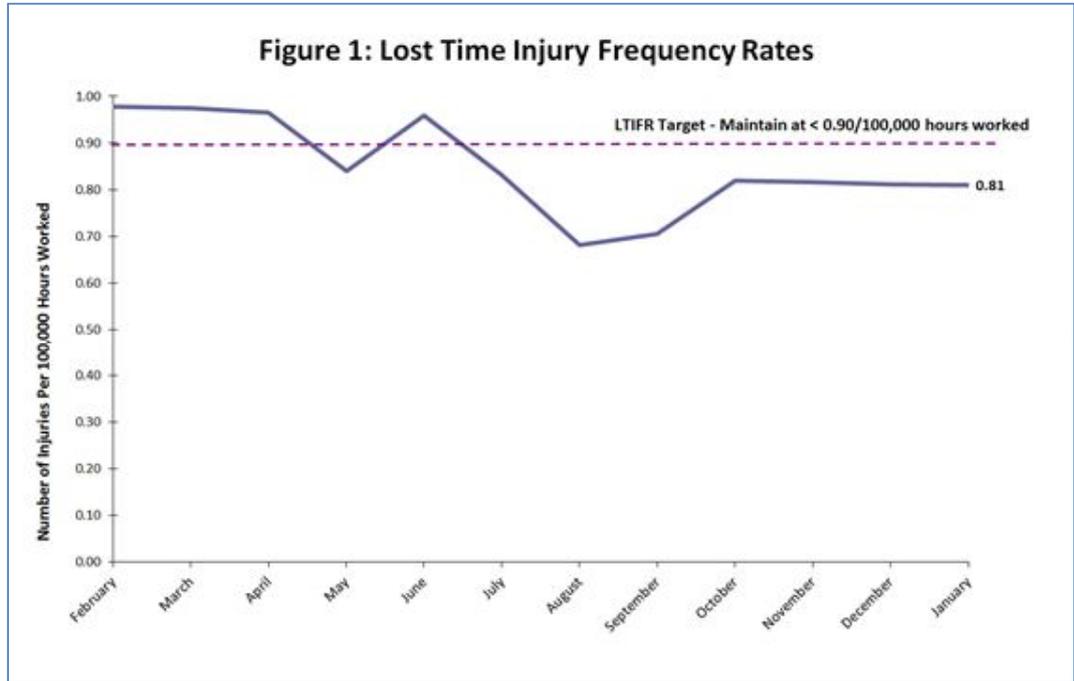
Event type	December 2018 – January 2019
Total Events Reported	82
Fatalities	0
Lost Time Injuries (LTI)	0
Medical Treatment Injuries (MTI)	0
First Aid/Pain & Discomfort	12
Property damage	13
Near miss & hazard id reports	40
Other (not involving GW)*	23



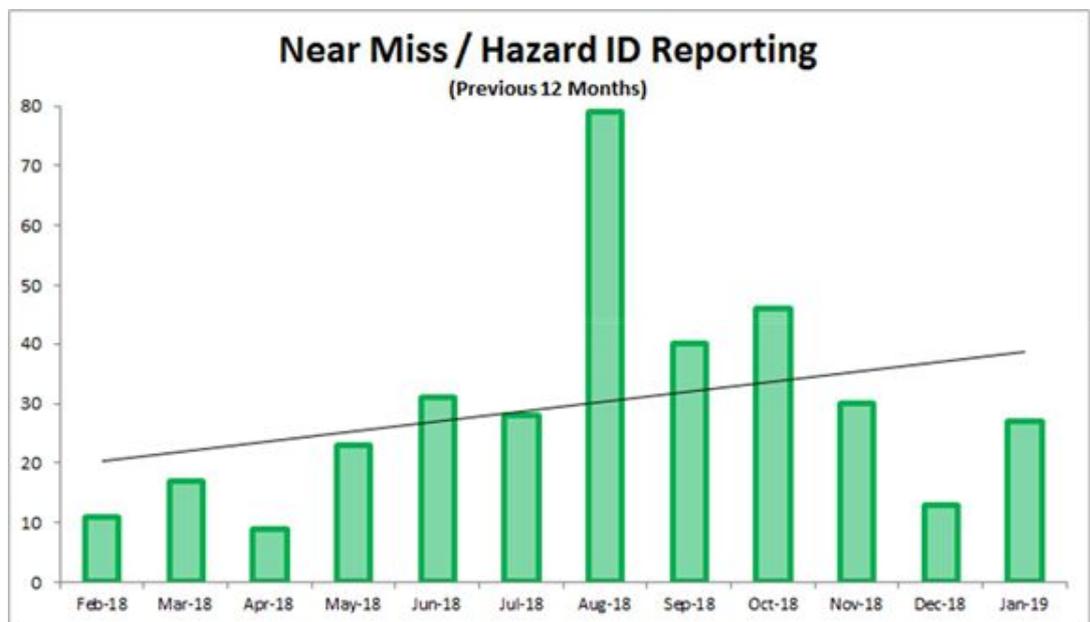
*Note: Other (not involving GWRC) events due to their nature may also be included in other categories above.

No Lost Time Injuries (LTIs) were reported in this period.

The Lost Time Injury Frequency Rate has remained constant at 0.81 LTIs for every 100,000 hours worked, remaining below the 0.90 performance target, as shown in the below graph.



Reporting of near-miss events overall continues to gradually trend up, as work continues to identify and remove barriers to reporting of near-miss and hazard events into KESAW across the organisation. The graph below illustrates the progress in near miss reporting:



3. Health and safety critical risk initiatives.

The following section provides a brief update on initiatives and activities associated with several of GWRC's identified critical risk areas over the period since the previous report, or planned for the near future.

3.1 Critical Risks Controls Project

GWRC's critical risks' (transportation, lone/remote working, wellbeing, working near and around water, and hazardous materials) critical controls have been drafted and are now progressing to the review and consultation stage.

The Health, Safety and Wellbeing Employee Representatives will have the first opportunity, before wider consultation across GWRC, to provide feedback into how the critical controls are documented and utilised to support risk assessment when planning and carrying out work.

A critical control register has been drafted for all five critical risks. The next step is underway, to provide a detailed action plan for each critical risk.

In the next quarter, the GWRC processes for critical control management will be reviewed, and further consultation with GWRC stakeholders will occur. On completion of these steps, a presentation will be provided to the GWRC leadership team for review and approval of the GWRC Health, Safety and Wellbeing critical control management processes and action plan.

3.2 Health and Wellbeing Project

Investigation of possible programmes to raise mental health awareness has been progressing. We have been looking for providers to help work with us to provide information and skills to staff around wellness and wellbeing. This work will be communicated with the Wellbeing Working Group for their participation in the final provider selection.



The Round the Bays Fun Run/Walk Wellbeing initiative recruited 10 staff members as "active starters" to utilise GWRC's 10 free sponsor tickets. The "active starters" are staff who do not normally enter these types of events. The aim is to encourage them to increase their activity levels and experience some GWRC comradery. This year, in total over 60 GWRC staff will have participated in the event, more than twice the number of previous years. Wellington-based staff were also offered the opportunity of yoga and training advice from qualified GWRC staff, to aid their event preparation.

The first draft of the Wellbeing Strategy has been developed and will be circulated to the Wellbeing Working Group for feedback during March 2019.

Workstation assessments have been completed for Masterton staff as part of the move into the new office. Over 70 staff were assessed by an external provider and a number of recommendations identified are already in place.

3.3 Pause 4 Safety

Final preparation and planning is underway for the organisational-wide all of staff “Pause 4 Safety” programme. This is a major initiative for the organisation, and the programme will take place in early April in the form of 10 half-day workshops across three locations.

The purpose of the “Pause 4 Safety” event is to:

- Launch GWRC’s Health, Safety and Wellbeing vision
- Ensure that a consistent message is delivered to all staff around GWRC’s focus for all staff in regards to Health, Safety and Wellbeing
- Provide an opportunity to practices some of these activities; such as understanding and identifying “near misses”, and delivery of Health, Safety and Wellbeing toolbox presentations

3.4 Operational Safety Leadership Workshop

The Operational Safety Leadership project that is part of the GWRC strategic Health, Safety and Wellbeing road map is currently being re-established following a team member’s completion of their Public Transport secondment. It is planned that delivery of the workshop to all GWRC managers and team leaders, as well as field staff, will begin following the “Pause 4 Safety” events.

3.5 Core training project

This project is also currently being re-established following the completion of a team member’s Public Transport secondment. A specific current focus of this project at present is working with the critical risk project, particularly where training has been identified as a crucial control. From this work, current critical control-related training will be reviewed to:

- Ensure its suitability
- Identify any gaps
- Ensure adequacy of subsequent competency processes.

4. Communication

No external communication is proposed as an outcome of the consideration of this report.

5. Consideration of climate change

The matters addressed in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

5.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matter on the climate. Officers consider that the matters will have no effect

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI)

5.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to these matters. Officers recommend that climate change has no bearing on these matters.

6. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

6.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

6.2 Engagement

Engagement on this matter is unnecessary.

7. Recommendations

That Council:

1. *Receives the report.*
2. *Notes the content of the report.*

Report prepared by:

Graeme Burnett
Senior Health, Safety &
Wellbeing Advisor

Report prepared by:

Mike Ward
Senior Health, Safety &
Wellbeing Advisor

Report prepared by:

Rachael Meikle
Health, Safety & Wellbeing
Advisor

Report approved by:

Nigel Corry
General Manager, People and
Customer (Acting)

Exclusion of the public

Report 19.47

That the Council:

Excludes the public from the following part of the proceedings of this meeting, namely:

1. *Confirmation of the Public excluded minutes 13 December 2018*
2. *Appointments to sub-committee and advisory body*
3. *Property Disposal - Wairarapa*
4. *Strategic Land Purchase - Lower Hutt*
5. *Confirmation of the Restricted Public excluded minutes 13 December 2018*
6. *Chief Executive 2018/19 interim performance review*
7. *Statutory performance review of the Chief Executive.*

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

<i>General subject of each matter to be considered:</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground under section 48(1) for the passing of this resolution</i>
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<p>1. <i>Confirmation of the Public excluded minutes of 13 December 2018</i></p>	<p><i>The information contained in these minutes relates to GWRC's Long Term Office Accommodation Preferred Option. The information contained in these minutes relates to a commercial lease which is still under negotiation. Having this part of the meeting open to the public would disadvantage the GWRC in the negotiations as it would reveal information on the GWRC's negotiation strategy. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.</i></p>	<p><i>That the public conduct of the whole or 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 under section 7(2)(b)(ii) of the Local Government Official Information and Meetings Act 1987 (the Act) (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information).</i></p>
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<p><i>The information contained in these minutes also relates to an application for a rates remission. Release of this information would be likely unreasonably to</i></p>	<p><i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the</i></p>
--	--

prejudice the applicant's commercial position by disclosing the fact that they are requesting a rates remission for their property. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the applicant concerned.

disclosure of information for which good reason for withholding would exist under section 7(2)(b)(ii) of the Local Government Official Information and Meetings Act 1987 (the Act) (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information).

2. *Appointments to sub-committee and advisory body*

The information contained in this report relates appointments to the Te Kāuru Upper Ruamahanga River Floodplain Management Plan Subcommittee. Release of this information would prejudice the proposed members' privacy by disclosing the fact that they have expressed interest in, and are being considered for, appointment to GWRC bodies. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the privacy of the individuals concerned.

That the public conduct of the whole or 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 under section 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).

3. *Property Disposal - Wairarapa*

The information contained in this report relates to the proposed disposal of property owned by GWRC. The report outlines terms of the proposed disposal and includes details of the anticipated disposal values of the surplus land. Having this part of the meeting open to the public would disadvantage GWRC if the property is placed on the open market for sale via a contestable

That the public conduct of the whole or 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 under section 7(2)(i) of the Act (i.e. to carry out negotiations without prejudice).

sale process as it would reveal GWRC's price expectations. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice.

4. *Strategic Land
Purchase - Lower
Hutt*

The information contained in this report relates to a proposed land purchase and lease-back agreement upon terms and conditions that are yet to be negotiated and agreed. Having this part of the meeting open to the public would disadvantage GWRC in its negotiations as it would reveal GWRC's negotiation strategy. GWRC has not been able to identify a public interest favouring disclosure of this information in public proceedings of the meeting that would override this prejudice.

That the public conduct of the whole or 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 under section 7(2)(i) of the Act (i.e. to carry out negotiations without prejudice).

5. *Confirmation of the
Restricted Public
Excluded minutes 13
December 2018.*

The information in these minutes relates to the interim performance review of the Chief Executive. Release of this information would prejudice the privacy of the Chief Executive by disclosing matters relating to the statutory review of his performance. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the Chief Executive's privacy.

That the public conduct of the whole or 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 under sections 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).

The information in these minutes also relates to procurement matters, some of which are likely to have commercial implications for suppliers and potential suppliers, GWRC, other local government bodies and NZTA.

That the public conduct of the whole or 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 under

Release of this information would likely prejudice a proposed competitive procurement process by exposing proposed commercial terms. GWRC has not been able to identify a public interest favouring disclosure of this particular information that would outweigh that likely prejudice.

section 7(2)(b)(ii) of the Act (i.e. to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information), section 7(2)(h) of the Act (i.e. to enable any local authority holding the information to carry out, without prejudice or disadvantage, to commercial activities), section 7(2)(i) of the Act (i.e. to carry out negotiations without prejudice), and section 7(2)(j) (i.e. to prevent the disclosure or use of official information for improper gain or improper advantage).

6. *Chief Executive 2018/19 interim performance review*

The information contained in this report relates to the interim performance review of the Chief Executive. Release of this information would prejudice the privacy of the Chief Executive by disclosing matters relating to the interim review of his performance. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the Chief Executive's privacy.

That the public conduct of the whole or 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 under section 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).

7. *Statutory performance review of the Chief Executive*

The information contained in this report relates to the statutory performance review of the Chief Executive. Release of this information would prejudice the privacy of the Chief Executive by disclosing matters relating to the statutory review of his performance. GWRC has not been able to identify a public interest favouring disclosure of this

That the public conduct of the whole or 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 under section 7(2)(a) of the Act (i.e. to protect the privacy of natural

*particular information in public persons).
proceedings of the meeting that
would override the Chief
Executive's privacy.*

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified above.