



Memorandum

To TOM DIDOVICH

Copy to ALLAN RUTLEDGE
MARK DACOMBE
TONY MARKHAM
DEREK WILLIAMS
SCOTT BURDEN

From JOHN ROFE

Date 16 October 1998

Subject IMPACT OF IMPENDING LEGISLATION ON STRATEGIC OPTIONS

Tom,

Further to our exchange of e-mails on the subject of the proposal to establish a Trust to fund animal welfare works I note as follows:

1. There has to date been no decision to establish a national trust. However the formation of a trust is an option that is being considered and for which a work programme exists.
2. There is some merit in protecting the option of establishing a trust, but from what you say, unless a trust is formed immediately there may be no chance of pursuing that option. Furthermore you will be de-barred from performing animal welfare work in toto. This would have a detrimental impact on performance of the North Shore Contract.
3. The trust deed would be the delaying factor if you were to establish a trust immediately. Allan Rutledge is to refer the current draft to Kensington Swan and Graham Wakefield for their comment on the draft.
4. The fundamentals of protecting the trust option are:
 - 4.1 To establish a national organisation focussed on animal welfare.
 - 4.2 To have staff trained to meet the requirements of the new act.
5. I understand from your papers on the subject that the issues of staff training are as follows:
 - 5.1 The cost of the training will be approx. \$10,000, of which 80% will form part of current budgeted staff training. It would happen at any rate.
 - 5.2 By getting the training on offer under the new Act you will secure an advantage over your competitors.
 - 5.3 Training is an essential pre-requisite for registration under the new Act. Time is of the essence.
6. I understand that the cost of establishing a trust is \$10. With a similar cost for disestablishment and striking off.

As a result of the foregoing, I am inclined to recommend that you proceed with the registration of a trust and the training programme under the following strict conditions:

1. The decision is for the temporary purpose of maintaining the animal welfare structure that we have and for evaluating the strategic opportunity.

2. However Council may after due consideration of the strategic options, decide not to proceed with a trust structure so there must be no expensive and irrevocable commitments made without proper authority.
3. The deed of trust that is to be used is the one which is confirmed following discussions between Allan and Council's solicitors. This must provide for sufficient flexibility to dis-establish the trust if and when required at Council's option.
4. That you secure the agreement of Neill Wells to the restricted terms under which the trust is being established. Council will require to make a sovereign decision on the establishment of the trust and until such a decision has been made, this arrangement is to be regarded as a temporary expedient.
5. The limit of the spending authority that this approval conveys is \$12,000 covered by your current approved budget.
6. No irrevocable undertakings regarding the operation of a national trust are to be given to any person or organisation.

Regards,



John Rofe
Principal Advisor, Council Owned Businesses