

TAIRAWHITI COMMUNITY COMMISSIONING

Information for Prospective Shareholders

May 2026

THE OPPORTUNITY

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This is a significant opportunity for Tairawhiti to take a more active role in shaping how social services are purchased from providers. It represents a shift towards local decision-making and a more connected, community-led system.

This is a chance to:

- Be part of a new system for Tairawhiti
- Shape how social services are funded and purchased
- Keep decision-making closer to the community
- Support long-term wellbeing outcomes for Tairawhiti

INVITATION

02

Tairawhiti is preparing a bid to the Social Investment Agency (SIA) for a community-led commissioning model.

If successful:

- Decisions about purchasing services will be made locally
- Funding will better reflect community needs
- A new way of delivering services will be tested

This is an important opportunity. Very few regions have the unique characteristics that we have in Tairawhiti - our experience and competency, our networks, the ability to work together to support our communities. This makes Tairawhiti an ideal prospect for community commissioning.

To support the bid, a **community-owned charitable company** is being established.

Your organisation is invited to become a shareholder.

WHAT IS BEING PROPOSED

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Tairawhiti Community Commissioning Limited

A community-owned charitable company – **Tairawhiti Community Commissioning Limited (TCC)** – is being established to plan and fund selected social services, with priorities shaped by local knowledge and evidence, and a focus on long-term wellbeing outcomes.

The initial focus will be on the following priority areas:

- Housing
- Education
- Community Health
- Employment

These areas act as entry points to wider, holistic support for whanau including family violence and addiction services.

WHY A CHARITABLE COMPANY

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A charitable company has been chosen as the most appropriate structure because it:

- Keeps the focus on community benefit (not profit)
- Prevents private financial gain
- Enables shared ownership across the region
- Provides clear governance and accountability
- Is a simple, recognised legal structure

Other structures were considered but did not meet all of these requirements. For example, a charitable trust meets many of these criteria but cannot be owned, and therefore does not provide the same level of community ownership or commitment as shareholding in a charitable company.

WHY THIS MATTERS

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Tairawhiti has a strong history of working together to improve wellbeing. This model creates an opportunity to:

- Keep funding decision-making closer to the community
- Allow providers to design services around local needs
- Improve long-term outcomes for whanau
- Use data, evidence, and lived experience together

Only a small number of regions will be selected nationally to trial community commissioning.

KEY DATES AND TIMING

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This process is time-sensitive due to the SIA's timelines, with key decisions and company establishment needing to be completed within a short timeframe.

We want **TCC** to be in place to lead Tairawhiti's community commissioning planning as well as its implementation.

WHO CAN BECOME A SHAREHOLDER IN TCC

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To be eligible, your organisation must:

- Be an incorporated legal entity (charitable trust board, incorporated society, company, etc.)
- Be based in Tairāwhiti and operate in the region
- Represent or deliver social services
- Have governance in the region
- Show commitment to community wellbeing
- Be reputable, transparent, and financially sound

You will fit within one sector:

- Iwi
- Social services
- Philanthropy

See the website for full sector definitions.

WHAT IT MEANS TO BE A SHAREHOLDER IN TCC

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Shareholders are owners of the charitable company.

What shareholders do:

- Vote on key decisions
- Elect and remove board members
- Approve major changes
- Approve strategy and key documents
- Receive updates and reports

What shareholders do not do:

- Do not receive profits or dividends
- Do not manage day-to-day operations
- Do not make service funding or service delivery decisions

All funds held by TCC must be used for charitable purposes and community benefit.

KEY FINANCIAL CONSIDERATIONS

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When considering a shareholding, these are the key points to be aware of.

- No financial cost to become a shareholder
- No liability for company debts
- No obligation to capitalise (fund) the company
- No requirement to guarantee or offer security for the company's obligations

ESTABLISHING THE COMPANY

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To establish the charitable company, formal incorporation requirements must be completed.

These include:

- confirming the company name
- checking potential shareholders meet the criteria for shareholding
- appointing initial shareholders and directors
- issuing the initial shares
- establishing a registered office and contact details
- completing tax registrations and annual filing requirements
- preparing governance documents, including the Constitution and Shareholders Agreement

“TCC” is currently being used as a placeholder name to enable incorporation of the company. This may not be the final or trading name of the entity.

HOW SHAREHOLDING WORKS 11

Shares:

- 100 shares issued at incorporation
- Shares issued for nil value
- No financial contribution required

Shareholding phases

The shareholding structure has been designed in two phases to support both establishment of the charitable company and broader community ownership over time.

Establishment shareholding phase (Tranche 1)

The first tranche of 100 shares enables the charitable company to be incorporated and supports the appointment of the initial establishment board.

This phase is likely to involve organisations that have been closely involved in the process to date.

Expanded shareholding phase (Tranche 2)

A second tranche of 900 shares will be issued within 12 months of incorporation.

This phase is intended to encourage broader community ownership and participation by providing additional eligible organisations with an opportunity to become shareholders during the establishment period.

This second share issue will only occur once. After the establishment period, any new shareholders would require approval by 75% of current shareholders.

The number of shareholders in the Social Services Provider Sector will be capped at 30 in total. This is to ensure that shareholdings in that sector are not diluted.

Shareholding split:

- Iwi Sector: 45%
- Social Services Provider Sector: 45%
- Philanthropy Sector: 10%

At incorporation:

- 45 / 45 / 10 shares

After 12 months:

- 450 / 450 / 100 shares

Shares will be divided equally among shareholders within each sector (or as close to equal as possible).

Where shares cannot be divided equally, they will be allocated as evenly as possible.

Fractional or jointly held shares are not possible which means some shareholders may hold slightly more shares than others. The examples below show how this may work in practice.

Iwi Sector (45%) = 45 shares

Establishment shareholding phase (Tranche 1)

If there are 3 iwi shareholders, the 45 shares are divided equally (15 each).

Each share carries one vote, so 15 shares equals 15% of the voting rights.

Expanded shareholding phase (Tranche 2)

After the second round, when the total increases to 450 shares, if there are 4 iwi shareholders, the shares will be allocated as evenly as possible (for example, two shareholders receive 112 shares and two receive 113 shares).

Each share carries one vote, so 112 shares equals 11.2% and 113 shares equals 11.3% of the voting rights.

Philanthropy Sector (10%) = 10 shares

Establishment shareholding phase (Tranche 1)

If there are 3 shareholders, the 10 shares will be allocated as evenly as possible (for example, 3, 3, and 4 shares).

Each share carries one vote, so 3 shares equals 3% and 4 shares equals 4% of the voting rights.

Expanded shareholding phase (Tranche 2)

After the second round, when the total increases to 100 shares, if there are 4 philanthropy shareholders, the shares can be divided equally (25 each).

Each share carries one vote, so 25 shares equals 2.5% of the voting rights.

Social Services Sector (45%) = 45 shares

Establishment shareholding phase (Tranche 1)

If there are 20 shareholders, the 45 shares will be allocated as evenly as possible (for example, 15 shareholders receive 2 shares and 5 receive 3 shares).

Each share carries one vote, so 2 shares equals 2% and 3 shares equals 3% of the voting rights.

Expanded shareholding phase (Tranche 2)

After the second round, when the total increases to 450 shares, if there are 25 social services shareholders, the shares can be divided equally (18 each).

Each share carries one vote, so 18 shares equals 1.8% of the voting rights.

GOVERNANCE (HOW DECISIONS ARE MADE)

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Who will run TCC?

The TCC will be governed by an independent, skills-based board that sets direction and makes final decisions.

Who chooses the board?

- Shareholders elect the directors of the board (including the chair)
- Each shareholder has a vote per share

How directors are appointed?

An independent appointments panel, made up of representatives from the working group, will oversee the recruitment of candidates process for the establishment board, including:

- advertising for director candidates and receiving nominations, applications, and recommendations
- vetting, reference checks, and shortlisting of candidates
- recommending suitable candidates to shareholders

Voting process

Director appointments are made through a voting process where votes are weighted according to the number of shares held by each shareholder.

Shareholder decisions

Shareholder decisions may be made through general meetings, written resolutions, or postal voting processes.

Certain major decisions require approval by 75% of shareholders. These include matters such as:

- issuing additional shares
- changing governance documents
- removing directors
- major structural or constitutional changes

Example of board election voting

If there are 5 board vacancies and 8 candidates, shareholders may vote for up to 5 candidates.

Votes are weighted according to the number of shares held. For example, if a shareholder holds 10 shares, each candidate they select will receive 10 votes from that shareholder.

The candidates receiving the highest number of votes are appointed to the board.

Establishment Board

An establishment board consisting of two directors and a chairperson will be elected to lead the establishment and commissioning design and delivery phase. These directors will be elected based on the skills and experience required for the establishment phase and will serve for approximately one year.

The establishment board will support the incorporation and establishment of the charitable company, including the development of governance arrangements and commissioning systems.

- Establishment board: 2 directors and a chairperson

Ongoing Boards

During the first year, a new board of four directors and a chairperson will be elected. They will serve three-year terms unless shareholders determine otherwise. Members of the establishment board may reapply if they wish to continue.

- Ongoing boards: 4 directors and a chairperson

Board requirements

Directors must be:

- Independent (not officers or employees of shareholders or contractors to the company, current or in the prior 3 years)
- Skilled and experienced
- Connected to Tairāwhiti (a majority of directors must live in Tairāwhiti)

Why independence matters

- Prevents conflicts of interest
- Ensures fair commissioning decisions
- Maintains trust across the community

OPERATIONS (HOW THE WORK GETS DONE)

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Who does the work

An operational backbone team manages day-to-day work and provides recommendations to the board.

Manaaki Tairawhiti will provide initial support during the establishment and design phase.

Once this phase is complete, the board will determine the permanent operational structure.

Who makes decisions vs who delivers

- **Shareholders** → own the company and exercise ownership rights (through voting on shareholder decisions)
- **Board** → makes governance decisions including the commissioning of service decisions and supervises management
- **Operational team** → supports the board

What this means for providers

Funding contracts are not influenced by shareholders.

Providers engage with the company through formal commissioning processes, with all decisions made by the board, supported by the operational team.

WHAT YOU NEED TO DO

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Before making a decision, your organisation should review the information provided, have your eligibility confirmed, and ensure your governance group understands what shareholding involves.

1. Review this information
2. Discuss the opportunity internally and seek approval from your governance board or committee
3. Have your eligibility confirmed

WHAT HAPPENS NEXT

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If your organisation has completed the three steps above, the next stage of the process is to:

- Reach out to our contact person to express interest and receive further information
- Work with us through the process, with support provided at each stage
- Participate in a formal process to confirm shareholding and governance arrangements
- Provide required details to enable incorporation of the charitable company
- Review and approve key documents (Constitution and Shareholders Agreement)
- Take part in electing the initial board

If you are interested in becoming a shareholder, please let us know by **29 May 2026**.

For the provider sector it will be first in first served up to 30 shareholders.

QUESTIONS OR MORE INFORMATION

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If you have any questions or would like to discuss this further, please get in touch:

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Key documents and updates are available at:
<https://mt.org.nz/community-commissioning/>