

**Document No:** A677879

**Report To: Council**



**Meeting Date:** 25 July 2023

**Subject: Presentation: Hamilton & Waikato Tourism – Annual Report**

**Type:** Information Only

## Purpose of Report

- 1.1 The purpose of this business paper is to advise Council that Nicola Greenwell, Chief Executive of Hamilton & Waikato Tourism will be in attendance at 9.15am to present and speak to the Hamilton & Waikato Tourism Annual Report.

## Background

- 2.1 During preparation of the 2021-2031 Ten Year Plan, Council confirmed its continued support with existing Partnership/Service Level Agreements. These arrangements reflect a multi-partner approach to work collaboratively with regional partners, for the betterment of the community.
- 2.2 Hamilton & Waikato Tourism Limited (HWT) undertakes regional tourism marketing and development activities for the Hamilton and Waikato Region.
- 2.3 The general description of the services provided by HWT are:
- To promote and develop the Hamilton and Waikato region as an attractive visitor destination to international and domestic visitors in order to grow visitor expenditure in the region to provide sustainable economic, environmental, social and cultural benefits to local communities.
- 2.4 The Partnership Agreement Waitomo District Council has with HWT requires for HWT to report twice each year to Council in respect to:
- HWT's performance of the Regional Tourism Services
  - HWT's delivery of the Deliverables
  - HWT's achievement of Key Performance Indicators
  - Current or anticipated issues

## Suggested Resolutions

The Presentation from Hamilton & Waikato Tourism – Annual Report be received.

A handwritten signature in blue ink that reads "H. Beever".

HELEN BEEVER  
**GENERAL MANAGER – COMMUNITY SERVICES**

Attachment: Hamilton & Waikato Tourism Annual Report

## Year End Update to Waitomo District Council 1 July 2022 – 30 June 2023

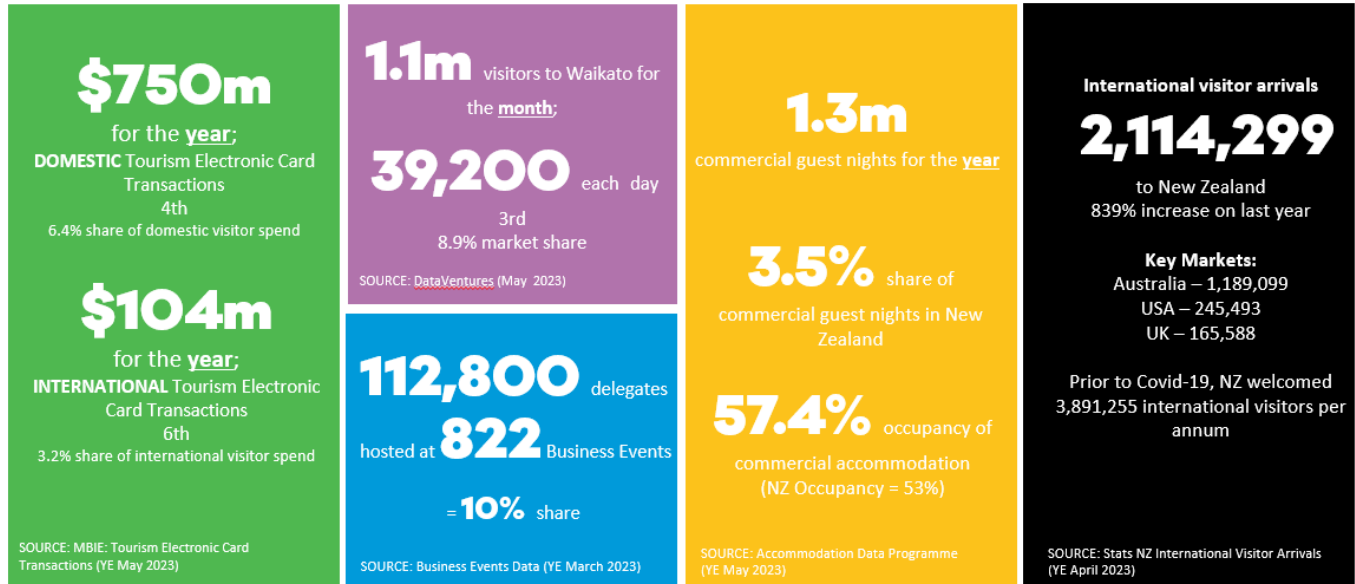
Hamilton & Waikato Tourism (HWT) is the region's Regional Tourism Organisation (RTO) whose role is to generate competitive economic benefit through visitor sector strategies focused on increasing visitor length of stay and spend.

Hamilton & Waikato Tourism is a subsidiary company under the Council Controlled Organisation (CCO) of Waikato Regional Airport Limited. It has a commercial board with Richard Leggat appointed as the Chair in December 2021. Nicola Greenwell was appointed as Chief Executive from 1 July 2022.

HWT is funded through a public/private partnership with the region's tourism industry and six local authorities including Hamilton City, Matamata-Piako, Ōtorohanga, Waikato, Waipā and Waitomo. This is the annual report covering the period from 1 July 2022 through to 30 June 2023.

### Key highlights (July 2022 to June 2023)

NB: Due to timing of data, some data sets is for 12months to April and some are to May 2023.



## Executive summary

As the financial year is now completed, we look back on the year with pride in our region and industries resilience to rebound from global pandemic and cyclone damage to now be performing very strongly. We look ahead to the new year prepared to meet the new challenges ahead.

During the first six months of the financial year, we saw strong return of visitation across the region and then Cyclones Hale and Gabrielle impacted during January and February. While our region did not suffer as widely or as tragically as others in the North Island, we were not immune to the damage. Waitomo and Waikato District Councils declared a State of Emergency; Matamata-Piako suffered flooding; the road to Raglan was closed for a period; the waterways were deemed unsuitable to engage with for a week; and some individual operators suffered damage to their properties. The Government issued Cyclone Recovery fund was eventually made available for Waikato businesses.

Since the Cyclones in the summer months, we have again seen return of visitation to our region. Daily visitation counts in May are 11% better than May 2022. We are hearing that operators are busy and have strong bookings in place for the July and October school holidays, and into the summer period.

The team have represented the mighty Waikato to travel trade at TRENZ in Christchurch and travelled to Australia, North America and Singapore to 'train' travel wholesalers and agents on what we have to offer in our region. More details are within the International Marketing section of this report.

The Events Team attended MEETINGS to inform professional conference organisers and associations what we have to offer within the events sector. The team have bid on nine events with three wins celebrated. More details are within the Events section of this report.

Capability building support for new and existing operators, has been well utilised during the past 12 months. From workshops and one-on-one visits, through to video tools and sustainability activations, the team have offered a wide range of activities to our operators. With the additional activity in this area, we have engaged with 1731 operators.

During 2021 and 2022, we provided a 'partnership holiday' in consideration of the impact of covid with the industry and because we had received funding from central Government. This year we reintroduced industry partnership. Our partners have returned and have enjoyed the additional activations and activities offered to those who partner with HWT. This has ensured that we meet our SLA key performance indicator of requiring industry contribution to our activities.

It has been fantastic to see the return of our event portfolio to their full scope and capacity – Balloons Over Waikato, Fieldays, Hamilton Garden Arts Festival and SoundSplash to name a few. In January we celebrated the HSBC Sevens tournament and then farewelled the event as this was the last to be held in New Zealand. With the Chiefs team performing very well this season, FMG Stadium Waikato hosted sellout crowds to several games, including Quarter, Semi and the Grand Final games.

We look forward to an event calendar that continues to grow in strength. The region is set to host some incredible events which will attract visitors to our region:

- The FIFA Women's World Cup 2023™ event, with five games being hosted in Kirikiriroa Hamilton, will bring visitation right across region. Waikato Stadium will host five matches between 20 July and 20 August 2023.
- Matariki ki Waikato portfolio of events continue to grow and gain momentum. This year there are 50+ events within this festival.
- NZ Darts Masters will return once again to GLOBOX Claudelands Arena in August.

- The Silver Ferns will take on the English Roses to play for the Taini Jamison Trophy at GLOBOX Arena, Claudelands. At the same time, FMG Stadium Waikato will host Black Ferns against Wallaroos. Both of these games are being held on 30 September.
- Greenstone are temporarily moving their Summer Concert to the Claudelands Oval for 2024 while State Highway 25A to Whitianga is repaired.

Auckland Airport and Air NZ provided an update at TRENZ regarding international airline connectivity.

- NZ international airline capacity reached 90% of pre-covid levels by May 2023, slightly ahead of Singapore and Australia.
- Connectivity to North American routes for the 2023/2024 summer are forecast to be 46% more than the 2022/2023 summer, with an additional 300,000 seats. The LA connection in particular had just one airline flying to NZ for the 2022/2023 summer but will have four airlines flying here in 2023/2024 summer.
- The China market is predicted have seat capacity at 93% of pre-covid levels by September 2023.
- Auckland International Airport international seat capacity recovered to 90% of 2019 levels by May 2023 and predicted to reach 100% by December 2023 with 26 airlines flying to 37 destinations.

With this information, the industry is preparing for a busy summer ahead.

The Covid Recovery funding we received from central Government has now been fully utilised. We have maximised the use of these funds over the previous 2½ years with many projects, campaigns and activities for our operators. We've developed tools and content for the ongoing benefit of the region and the mahi that we undertake. Our activity now returns to 'business as usual' levels, based on our council funding and industry contributions. Some activities that have been undertaken over the past 2½ years such as Resident Sentiment Survey, Regenerative tourism initiatives, some of our campaigns and communications efforts will cease or need to be scaled back. Please see Sustainable Funding section later in this report for more information.

## Performance targets

Hamilton & Waikato Tourism (HWT) have eight performance targets which are set in the 'Schedule of Services for Local Government 2022-2023'. The results are provided below.

Measure	Result	Measure	Result
<b>Visitor nights</b> Hold total visitor nights compared to previous year	<b>1.3m visitor nights</b> (YE May 2023) <b>57.4% occupancy (NZ: 53%)</b> SOURCE: MBIE, Accommodation Data Programme Note: Excludes MIQ hotels and MSD motels	<b>Media &amp; travel trade</b> 10 media outlets hosted 150 travel trade trained or hosted	<b>34 media outlets hosted</b> <b>68 agents hosted and 590 agents trained</b> (as at 30 June 2023)
<b>Visitor spend electronic card transactions</b> 5% increase in total visitor spend across region compared to previous year	<b>DOMESTIC</b> <b>18% increase on last year</b> 17% increase on 2019 <b>\$750million</b> 6.4% market share <b>INTERNATIONAL</b> <b>227% increase on last year</b> 12% increase on 2019 <b>\$104million</b> 3.2% market share (YE May 2023) SOURCE: MBIE, Tourism <u>Electronic Card Transactions</u> TECT does not capture ALL spend, ie: pre-paid accommodation/experiences or cash purchases, are not included	<b>Govt funded projects</b> Successfully deliver STAPP and RESET funded projects	<b>100% of funding has been utilised</b>
<b>Conventions &amp; business events</b> Rebuild and restore market share of total business events to 5%	<b>822 business events,</b> <b>11% market share</b> <b>122,800 delegate days,</b> <b>10% of delegates</b> (YE March 2023) SOURCE: Business Events Data Programme	<b>Regional Events Fund (REF)</b> Successfully deliver year one of the REF for Waikato, Rotorua, Ruapehu & Taupō	<b>Workshops held in all four regions.</b> <b>Third and final contestable funding round has now closed</b>
<b>Industry investment</b> \$100,000 of industry contributions towards marketing activities	<b>\$232,000 partnership and Visitor Guide</b> (As at 31 May 2023)	<b>Cashflow</b> To ensure the company has sufficient cash to fund activity for the year without recourse to the shareholder	<b>Cashflow maintained</b>

## Destination management

Destination management brings together different stakeholders to achieve the common goal of developing a well-managed, sustainable visitor destination. It is an ongoing process that requires destinations to plan and considers the social, economic, cultural and environmental risks and opportunities.

Adopting a destination management approach enables communities and destinations to respond to changing conditions and determine the type of tourism they would like to have and the benefits they would like to receive, taking an active role in managing these.

Destination management requires a holistic and integrated approach across the following 16 components:

DEFINE THE DESTINATION	DEFINE THE VISION	DATA, RESEARCH & ANALYSIS	STRATEGIC FIT
BRAND POSITIONING	ACCESS	AMENITIES, SERVICES & INFRASTRUCTURE	TARGET MARKETS
ATTITUDES	MARKETING & PROMOTION (awareness)	ENVIRONMENTAL STEWARDSHIP	EXPERIENCE & PRODUCT DEVELOPMENT
CAPABILITY & DEVELOPMENT	LEADERSHIP & STRUCTURES	RISK & CRISIS MANAGEMENT	MEASURING SUCCESS

The 12-page Destination Management Plan “[Snap Shot](#)” is available on our website. The document provides operators with a brief description of what the management plan entails and how their tourism activities contribute to achieving the common goal of developing a well-managed, sustainable visitor destination.

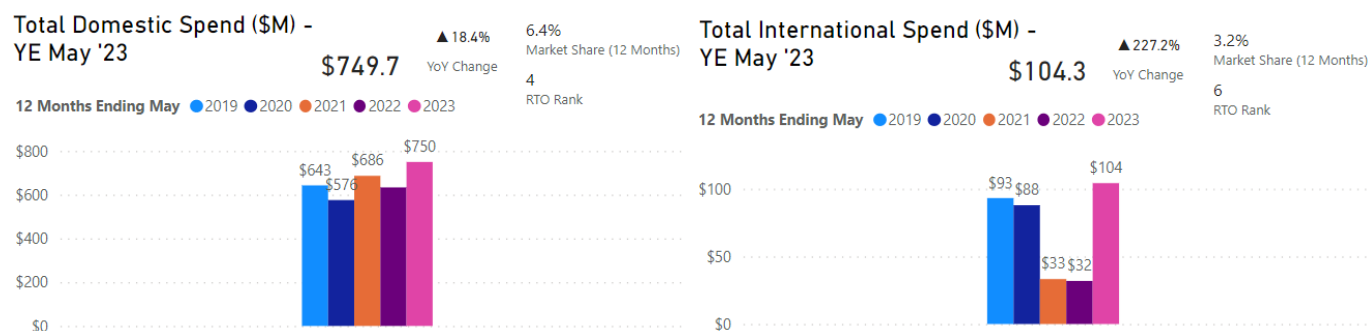
For each section of our report, we’ll indicate which of the 16 components this work is aligning to.

## Visitor statistics

### Visitor expenditure in Waikato Region

Domestic visitor spending outperformed the national averages, reaching a total annual spend of \$749.7m, an 18% increase from previous year. This results in 6.8% market share, placing us 4<sup>th</sup> amongst other regions. The top three domestic spenders were from Waikato, Auckland and Bay of Plenty.

Currently ranked sixth against other RTOs, International visitation contributed \$104.3m to the regional economy in year ending May 2023. This is an increase of 227% compared to year end May 2022; achieving 3.2% market share of all international spend in the country. The top three international spenders were from Australia, USA and China.

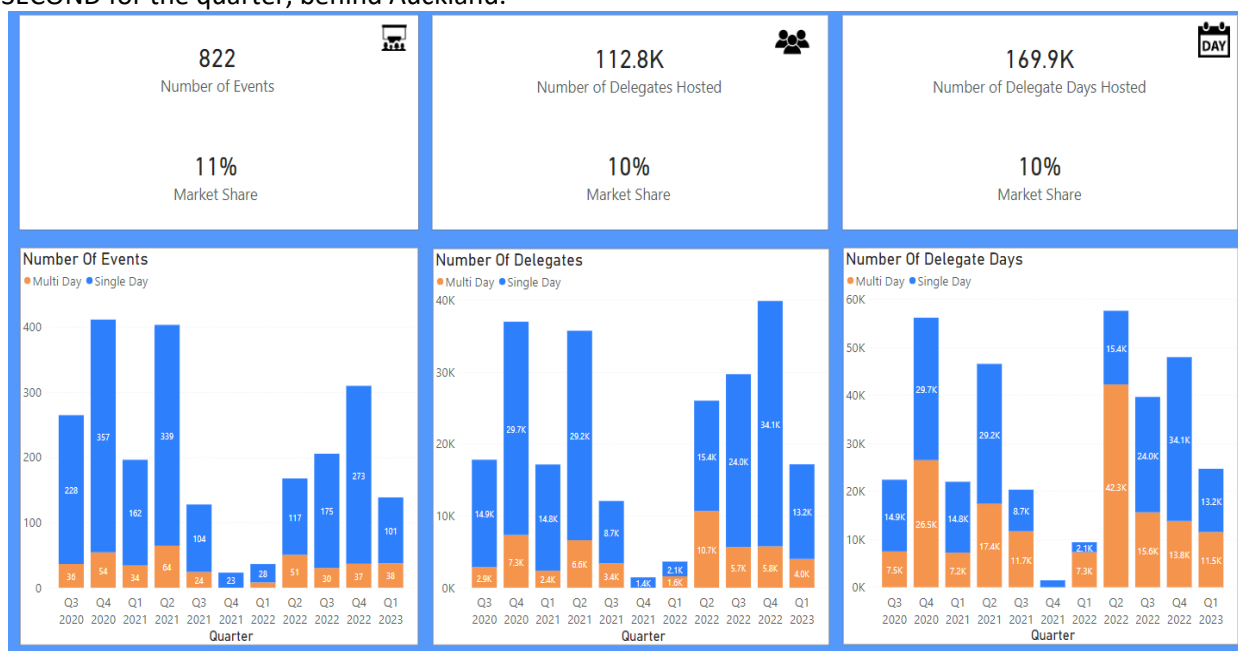


Source: Tourism Electronic Card Transactions, MBIE (May 2023) The Ministry of Business, Innovation and Employment (MBIE) have discontinued the Monthly Regional Tourism Estimates (MRTEs) as they were becoming unreliable within the COVID-19 environment. They have replaced the data with an interim data set capturing electronic card transactions. The key difference is that this data does not make any estimates for online or cash spending.

### Business Events in Waikato Region

Over the 12-month period, Waikato hosted 822 business events; 11% of NZ events. These events hosted 112,800 delegates; 10% market share.

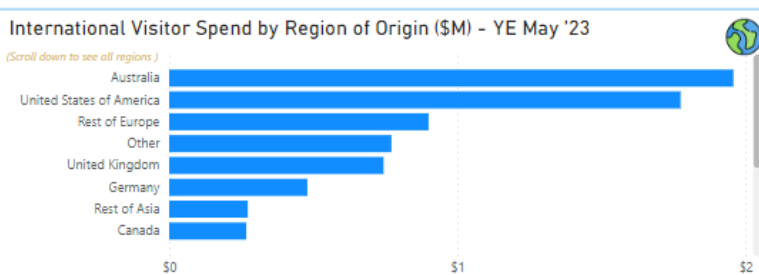
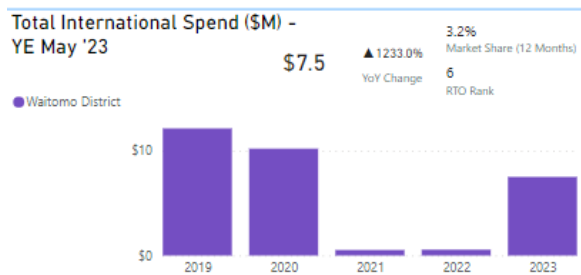
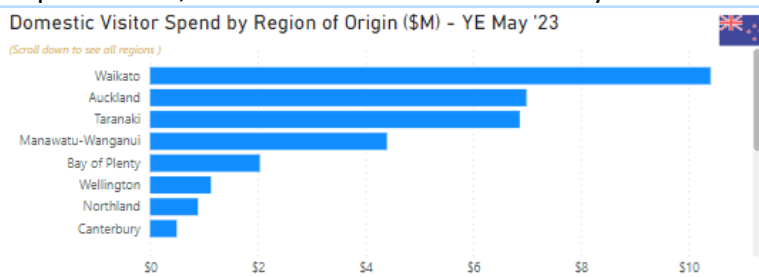
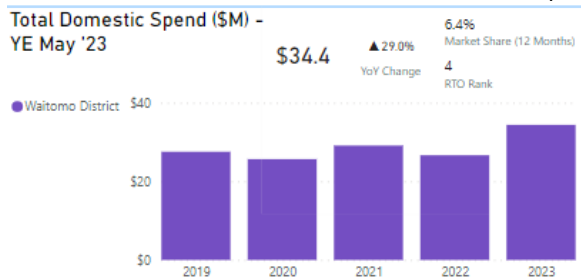
For the first quarter of 2023 (Jan-Mar), the region hosted 139 events and achieved 10% market share of events hosted, 8% market share of delegates hosted; and 8% market share of delegate days. This means Waikato was SECOND for the quarter, behind Auckland.



Explanation: The Business Events Data Plan (BEDP) is another new data set developed by Fresh Info; this replaces the older Business Events Research Programme (BERP). The development was co-funded by RTNZ and MBIE, with RTOs contributing annually for access. As per the ADP above, venue are not obliged to provide their data.

## Visitor expenditure in Waitomo

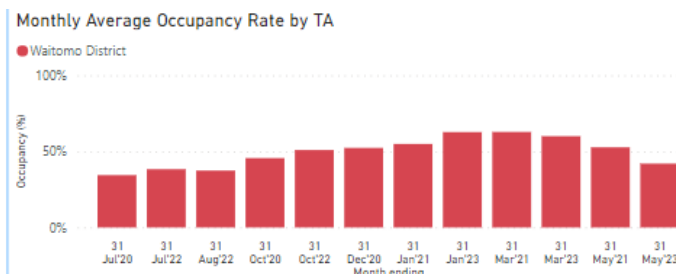
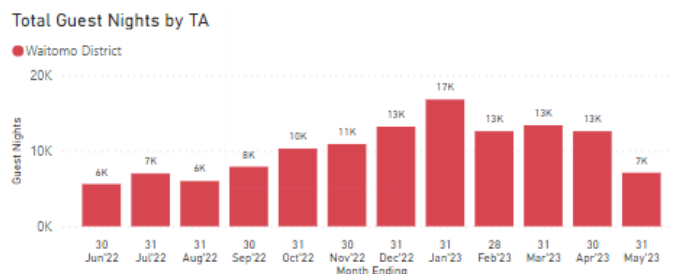
Domestic visitation contributed \$34m per annum to the Waitomo District, an increase of 29% on May 2022. International visitation contributed \$7.5m per annum, an increase of 1233% from May 2022.



Source: Tourism Electronic Card Transactions, MBIE (May 2023) The Ministry of Business, Innovation and Employment (MBIE) have discontinued the Monthly Regional Tourism Estimates (MRTEs) as they were becoming unreliable within the COVID-19 environment. They have replaced the data with an interim data set capturing electronic card transactions. The key difference is that this data does not make any estimates for online or cash spending.

## Commercial accommodation in Waitomo

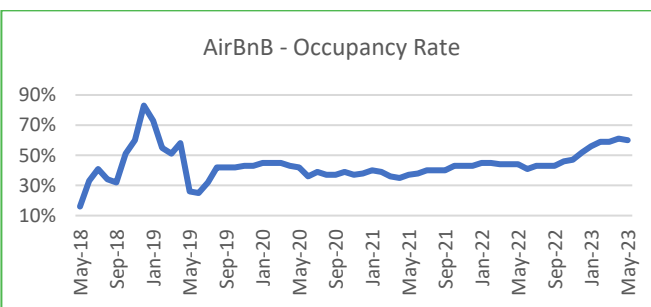
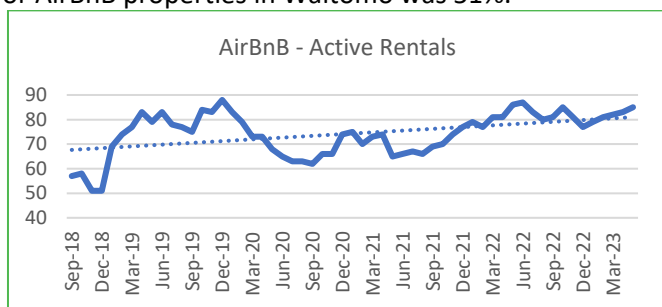
Based on the Accommodation Data Programme (commercial accommodation), Waitomo district achieved 42% occupancy rate for the month of May 2023, an increase of 30% on May 2022. The district provided 7,100 guest nights in May 2023, an increase of 27% on May 2022.



Source: Accommodation Data Plan, MBIE (April 2023)

## Non-commercial accommodation in Waitomo

Waitomo had 85 properties listed on AirBnB during May 2023 as alternative accommodation to the traditional commercial offerings. Two more than the same time last year. These properties experienced 60% occupancy during May 2023, which was 16% higher than May 2022. For the 12 months April 2023, the average occupancy rate for AirBnB properties in Waitomo was 51%.



Source: AirDNA (May 2023)



## Positioning project

DEFINE THE  
DESTINATION

BRAND  
POSITIONING

TARGET  
MARKETS

MARKETING &  
PROMOTION  
(awareness)

Our Positioning Project is nearing completion with Miles Partnership. Underpinning the DMP, this will create a destination positioning strategy which identifies three to four key pillars on which the current and future destination marketing and management decisions will be based.

Using our Mighty Waikato brand as a foundation the project has considered what the region 'owns' in regard to domestic and international tourism, and how we can position ourselves as a destination going forward – what we want to become known for.

This is not about a brand, campaign, logo or tagline. It is not about one event, attraction or experience; it is about creating a long-term thematic or values-based framework that we will base our destination positioning on.

It is important that this framework supports the short- and long-term goals of Waikato stakeholders and communities and authentically reflects what the Waikato stands for. It will shape how we develop and market the region going forward in all aspects – from consumer, business events, travel trade and media activities to product development and regenerative tourism initiatives.

## Resident Sentiment towards Tourism

DATA,  
RESEARCH &  
ANALYSIS

ATTITUDES

MEASURING  
SUCCESS

A substantive research project carried out by Angus & Associates to ascertain what our residents consider to be the benefits of tourism, and what are the challenges that tourism brings to their community. This is the second time that we have conducted this research with the help of the central government covid recovery funding.

The below findings are for the Waikato region as a whole:

- Overall, Waikato residents indicated stronger “Tourism Approval Rating” (TAR) towards visitors compared to New Zealanders as a whole
  - Waikato TAR towards International visitors is 51 while NZers indicate 44 TAR
  - Domestic visitation has a TAR of 67 for Waikato residents and 63 for NZers as a whole
- 85% of our residents say they experienced benefits of tourism, with the top 5 benefits being seen as:
  - More local businesses opening or being able to stay open
  - Opportunities for employment and income
  - Inspired them to travel domestically
  - Greater appreciation of the natural environment
  - A greater variety of goods and services is available than otherwise would be
- At the same time, 75% of residents indicated that they have experienced adverse impacts from tourism. The top 5 impacts noted:
  - More litter and waste generation
  - Greater difficulty finding a car park
  - Takes longer to get to places due to traffic and congestion
  - Damage to the natural environment
  - Feels less safe driving

However, it is pleasing to note that of these, 76% indicated they felt adequate measures are being taken to address these negative impacts.

We have also received reports for individual Districts. Therefore, the below results are for Waitomo District residents:

- “Tourism Approval Rating” (TAR) towards International visitors is now at 44 – up from just 23 12 months ago. The TAR towards domestic visitors has also risen – from 48 to 63.
- The benefits of tourism as identified by Waitomo residents
  - Has enhanced the profile or identity of my local area
  - More local businesses opening or being able to stay open
  - Opportunities for employment
  - Our community is more vibrant and friendly place to live
  - Has encouraged a greater appreciation of our historic buildings and sites
- The challenges identified:
  - Damage to the natural environment
  - Too much pressure on community infrastructure
  - More litter and waste generation
  - Feels less safe driving
  - More noise pollution

These challenges identified are opportunities for Waitomo District Council to consider how these might be mitigated.

This is an important tool to enable us to measure the impact of the visitor sector on our communities and the success of our Destination Management plan. To date, this has been enabled by utilizing the central Government funding and will not be possible as we return to ‘baseline’ funding. However, if this is of use for our council partners, we would happily coordinate this with financial input from our partner councils.

## Leisure, Media and Trade Marketing

BRAND  
POSITIONING

TARGET  
MARKETS

ATTITUDES

MARKETING &  
PROMOTION  
(awareness)

### Domestic marketing

HWT has undertaken a number of marketing campaigns to keep Waikato at the front of minds for those looking to travel domestically, and to highlight key experiences, events, food and beverage and passion points for locals and visitors as they progress through the travel decision-making process. HWT has targeted the drive markets of Auckland, Bay of Plenty, Manawatū and Taranaki; and the fly markets of Wellington and Christchurch; as well as our own Waikato residents. We implemented hero/impact campaigns to drive travel seasonally as well as an ‘always on’ demand layer campaign through Facebook and Google. Similar to our ‘always-on’ Facebook approach, HWT also undertakes year-round activity through Weibo to promote visiting the Waikato to the Chinese New Zealanders community, predominantly in Auckland. The central government funding enabled us to amplify our ‘BAU’ marketing, extend activity to be in market all year round and to include new campaign activity such as the Waikato to Taranaki Way, Berry Month and Matariki.

### Matariki

From 16 June to 26 July 2023 HWT are profiling experiences, accommodation and activities as well as all the fantastic events taking place across the region through Matariki ki Waikato. Working in partnership with Matariki ki Waikato, activity targeted Waikato residents and key drive markets through an events guide inserted into various newspapers and via digital channels and printed newspaper ads. Printed event guides were inserted into the Waikato Times, Hamilton Press and Cambridge Edition with a reach of 78,900 and a printed ad was included in King Country News which has a reach of 7,500.

### **Berry Activation**

'Berry' has been identified as a key pillar of the region's food and beverage narrative in our Food & Beverage Tourism Market Development Plan. As such, and in partnership with our F&B Advisory Group, HWT launched the inaugural 'Berry Month' campaign in late November to highlight all the places in the region where Waikato locals can pick your own, try tasty berries on the menu, grab a real fruit ice cream or purchase fresh berries to take home. This campaign was scaled back from initial concept due to the devastating frost that impacted the blue berry producers, but the aim is to expand this activity further in 2023 if funding allows.

### **Events**

Events are an important driver for domestic visitation as well as local expenditure and provide great reasons for repeat visitation to a region. We will continue to support regional events throughout the year by profiling them in campaign activity, on social media and coverage on waikatonz.com.

FIFA Women's World Cup 2023 – HWT has supported and continues to support Hamilton City Council, FIFA and Tourism NZ with tourism related activities for the FIFA Women's World Cup 2023 Play-Off Tournament in February and the FIFA Women's World Cup 2023 Tournament in July-August. Alongside Hamilton Central Business Association and Hamilton City Council, HWT co-hosted a FIFA Women's World Cup 2023 information evening in November for retail, hospitality and tourism providers, from around Hamilton and the Waikato region. The purpose of this evening was to allow businesses to learn more about this major event and how they can get involved.

In partnership with the Waikato i-SITE network, HWT exhibited at the NZMCA Motorhome, Caravan & Leisure Show in September to promote the activities and attractions in the region.

HWT has supported many other regional events during July-June by profiling them in campaign activity, media pitches, on social media and coverage on waikatonz.com.

### **Waikato to Taranaki Way**

Central government funding allowed HWT to partner with Venture Taranaki Tourism to create 'The Waikato to Taranaki Way' road journey to encourage visitors and road trippers to discover new experiences while travelling along State Highway 3.

The Waikato to Taranaki Way is a curated map and itinerary for an easy, self-driving journey along the west coast of the North Island from Port Waikato to Paritutu in Taranaki. The itinerary recommends a number of activities and attractions, to discover local stories and facts, places of cultural significance, and stunning views along the way. The road trip was launched in late November and promotion to date has included local and industry media coverage, Auckland International Airport advertising, and a digital marketing campaign.

### **Always on – Facebook**

To ensure we are always in market at the demand level, HWT runs a series of ads across Facebook on an ongoing 'always on' basis. The aim of this is to continually keep Waikato at the front of minds and to highlight passion points for locals and visitors as they progress through the travel decision-making process. This ongoing activity has ads designed for both a local Waikato audience as well as visitors from key drive and fly markets with creative and messaging changed out every six weeks.

### **Summer Campaign**

Our Summer campaign – aimed at encouraging travel to the Waikato over the months of late January–March/April launched in mid-January. Targeting key drive and fly markets, Auckland, Bay of Plenty, Central North Island, Wellington and Christchurch, the campaign reminds travellers that there is plenty to do in the Waikato including a great line-up of events over the summer season.

Due to the severe and devastating weather events, this campaign was put on hold in early February and pivoted to become an Autumn Campaign in March 2023.

**Summer Events Guide**

As in previous years, we created a Summer Events Guide for 2023. This 4-page print supplement highlighted the key events throughout the region during January - April. Targeting our Waikato locals, this guide was inserted into the Hamilton Press, Piako Post, Cambridge Edition and Waikato Herald on 18-20 January. We also provided copies to our local i-SITEs and have published the digital version on our website as well as promotion on social media.

**Chinese New Zealanders Chinese New Year - Natasha**

HWT undertakes year-round digital marketing activity through Weibo, Little Red Book and Facebook to encourage visitation the Waikato by the Chinese New Zealanders community. Specific campaigns for Chinese New Year and the April school holidays were also undertaken, with a focus on the Auckland market, to promote exploring the Waikato during these time periods around the themes of family time, nature/seasonality, events and food.

**Annual Visitor Guide**

The 2023 Official Regional Visitor Guide was launched in late December 2022. 50,000 copies have been, and will continue to be, distributed nationally through i-SITEs and airports, displayed at visitor attractions, used at trade shows, and conference delegate packs. This Guide remained a cost-neutral project with advertising sales funding production and distribution.

**Media**

HWT has continued to work on a number of media pitches over the last twelve months. Born out of our Mighty Local campaign, we managed to secure a regular editorial spot in the Waikato Herald to showcase our local tourism operators and hospitality through to December 2022. We continue to be successful in pitching destination features to domestic publications including Good Magazine, Motorhomes, Caravans and Destinations Magazine, Kia Ora Magazine and Dish Magazine.

International media attention also increased in line with the borders opening enabling HWT to work with several key overseas media publications and outlets including the following three Australian broadcast shows – The Today Show, Travel Guides and Roads Less Travelled.

HWT also worked alongside Tourism New Zealand with the restart of international media famils and partnered with neighbouring regions, Taupō, Rotorua and Bay of Plenty on a JV with Eleven PR in Australia to secure additional regional coverage across multiple publications including ARE Media and 9Honey.

**Communications Specialist**

HWT employed a 12month Communications Specialist in November 2021. This role was funded from central Government funding. This role sat within the marketing team and created content for all departments across the organisation including media releases and pitches, case studies/testimonials, articles, e-newsletters, web copy and promotional collateral. This was a very welcome addition to the team and allowed HWT to capitalise on further content and media opportunities. Now that this funding has been fully utilised, this contracted position has ended. The consequence is that we will no longer have the resources to elevate our media/content creation to this same level unless additional funding is able to be secured.

**Travel Trade**

With international borders opening, we have experienced a hybrid model of trade training and sales activity with on- and off-shore travel trade this past twelve months. HWT travelled to North America as part of the 70-person strong NZ contingent for the first Tourism New Zealand KiwiLink event in three years. We represented the region and the wider Thermal Explorer International Marketing Alliance (TEH IMA) of Waikato, Rotorua, Taupō and Ruapehu. HWT also attended KiwiLink Asia; was represented by TEH IMA partner regions at KiwiLink UK/Europe; and undertook several virtual webinars updating North American and Australian travel sellers about the Waikato's tourism experiences and accommodation offering.

Traditionally (in non-covid impacted years) the months of February–May are ‘trade season’ where a number of national and international travel trade events are held in the lead up to the travel sellers contracting tourism products and building inventory and itineraries for the coming seasons. For this year that has meant HWT joined several neighbouring RTOs on a sales trip to Australia in February, met with over 100 Inbound Tour Operator representatives at the RTO/ITO event in March, co-hosted 180 travel sellers at the Explore Central North Island eXplore Show in April alongside our seven partner RTOs (Coromandel, Bay of Plenty, Rotorua, Taupō, Ruapehu, Tairāwhiti, Hawke’s Bay), and attended the first TRENZ in three years where we had 52 15minute appointments with travel trade from all over the globe. HWT was joined at eXplore by 11 Waikato Tourism Operators and at TRENZ by seven Waikato tourism operators.

This year has also seen the re-introduction of international trade famils into NZ, with leisure and incentive famils from the US, UK, Germany, Australia, Japan, China, Philippines, Korea, India and Singapore markets spending time in the region.

HWT also had the unparalleled opportunity to host over 100 Tourism New Zealand staff in November on who were in New Zealand for their Global Hui. We hosted 89 staff on a ‘surprise and delight’ mini famil at Hamilton Gardens, while another group of 19 key TNZ off-shore staff spent two days exploring the region in more depth with us.

For details of specific Waitomo inclusion in marketing activities, please see Appendix 1 attached.

## Events and Incentives

BRAND POSITIONING

AMENITIES, SERVICES & INFRASTRUCTURE

TARGET MARKETS

ATTITUDES

MARKETING & PROMOTION (awareness)

## Business Events

We have assisted with nine regional conference bids in the last six months; proposals are proving hard to win due to funds provided from some of our regional competitors. Lack of higher end accommodation is also a factor; however, we have won three of these bids with a further two still pending.

Our Waikato Mega famil held in December 2022 resulted in some of these regional conferencing wins with five items of requests for quotation coming off the back of delegates experiencing firsthand what the Waikato can offer. This is a fantastic result from the 13 delegates we hosted.

We have attended a number of tradeshows over the last six months including AIME, Association X, AuSAE Linc Conference, AuSAE IF and MEETINGS tradeshow, these combined have resulted in 65 follow up communications. During our Wellington travel for the Association X event, we partnered with some of our fellow regional convention bureaus (Rotorua, Dunedin and Southland) and held a regional networking event. We hosted around 50 buyers on the night with feedback being they appreciated our collaborative approach and being able to talk with multiple regions at one time.

The inaugural AuSAE IF event was held in Hamilton in February which saw 15 Association executives’ event and explore our region. The event was a mix of workshopping and buyer appointments over 1.5 days and we held a regional cocktail hour where some of our Waikato partners joined and networked with attendees at the end of day one. To close off the event on day two we hosted a half day famil before flights departed in the early evening.

We have attended Wellington based AuSAE networking luncheons, undertaken sales calls and jointly hosted association executives for lunch alongside AuSAE and H3. Closer to home we jointly hosted local event planners with Hamilton Gardens, leveraging off the Hamilton Arts Festival in February. Alongside Tourism NZ we hosted a group of researchers at Innovation Park to talk through the national Conference Assistance Programme (CAP) available when bidding for international conferences.

We recently launched an 'always on' and retargeting business events campaign which is ongoing and have distributed two industry e-dm to our database of 2,945 event professionals.

We continue to update our regional image library and have had a Waikato regional feature in national event industry publication Meeting Newz as well as taken advertorial space each quarter in Waikato Business News talking to our Waikato audience.

WINTEC student, Janelle joined our team for work experience over a three-week period in May and was a huge help with completing some of our office tasks. We appreciated having the opportunity to help one of our future stars learn and develop during her studies.

## Thermal Explorer Regional Events Fund

The four regions of the Thermal Explorer Highway collective including Waikato, Rotorua, Taupō and Ruapehu were approved \$3.75 million for regional events in December 2020. The Regional Tourism Organisations (RTOs), alongside their council partners, developed a collaborative regional events investment plan to drive additional domestic visitation into their regions.

Hamilton & Waikato Tourism were selected as the Lead Entity for the Regional Events Fund across the four regions. The collaboration between Waikato, Rotorua, Taupō and Ruapehu has led to a strong and compelling event proposition for our four regions.

2023 third and final funding round was established to allocate the remaining contestable fund which had grown as several funded events were cancelled, postponed or no longer going ahead. The application and evaluation process were modified due to the limited funds available (smaller funding amounts, one-year funding agreements etc). The funding round opened in January and closed beginning of June 2023 with a total of **21 events** that have been offered funding to date.

Funding Agreements have had addendums completed where funded events (from any funding round) have been postponed or cancelled due to COVID-19, weather, event timing etc.

The Panel held the first series of 'Roadshow' workshops in March and April 2023 in each of our four regions. The Lego® Serious Play® or LSP workshops were all held in-person and facilitated by Rob Bull and Kate Horton from Rogue Builders. The workshop began with a brief update from the Panel on our journey to date and plans for the next 18 months followed by activities based around the question "Beyond the Thermal Explorer Regional Events fund, what does exceptional collaboration look like?".

The Panel met in May 2023 and discussed key objectives and timeline for the remainder of the REF project.

## Development and support



## Ambassador programmes

Designed for anyone engaging with manuhiri (visitors) who come to the Waikato, our Ambassador Programmes help create storytellers and ambassadors who can connect with people and authentically engage with what all New Zealanders understand as 'manaakitanga' and 'kaitiakitanga'. There are five unique location centric programmes that will support Kirikiriroa Hamilton, Waikato, Waipā, Waitomo/Ōtorohanga and Matamata-Piako.

THANK YOU to Waitomo District Council staff who introduced us to Ngāti Rora, who in turn provided advice and overview of the narratives shared within the Ambassador programme.

Programmes have been provided 'free of charge' to attendees while we utilise central government funding; fees to attend will be applicable when the next workshops are scheduled. To date, for Waitomo, we have held two workshops, which resulted in 25 Ambassadors being trained.

### **Regenerative Tourism**

The Mighty Waikato Sustainability Programme has been developed in conjunction with InStep and was launched to our operators late January. The Programme provides guidance to operators to measure what they do and identify changes to their business to achieve better regenerative outcomes. We had 20 Waikato operators participate in the programme.

We have introduced a Regenerative tourism section of waikatonz.com for operators, providing advice and resources to assist operators on their journey. The visitor's section is underway.

### **Tiaki in Waitomo**

Tiaki – Care for New Zealand is a national initiative that was created through a collective national desire to share a connection to the natural world, inspiring and helping visitors to travel safely and conscientiously.

As part of our regenerative tourism workstream HWT are piloting a programme in Waitomo around embracing the Tiaki kaupapa, which if successful, can then be implemented in other parts of the region to help educate other industry members as well as our manuhiri about caring for Waikato's environment and people. Many Waitomo operators are already undertaking some fantastic initiatives which embrace the values of the Tiaki Promise and this can help educate others about what can be achieved.

With the support of Tourism New Zealand's Tiaki Manager, HWT has formed a Tiaki in Waitomo working group to assist with the direction of the project and undertaken several activities to support operators and Council to fully embrace Tiaki, including holding a business after five event to launch the initiative, providing support to individual operators and creating Tiaki collateral in conjunction with Council. A series of written articles and videos will be shared with industry and local media in the next couple of months that showcases the mahi that operators in Waitomo are undertaking to care for people and place.

As this mahi was enabled with the central Government funding, extending this work of any scale across the region will be highly unlikely to be deliverable.

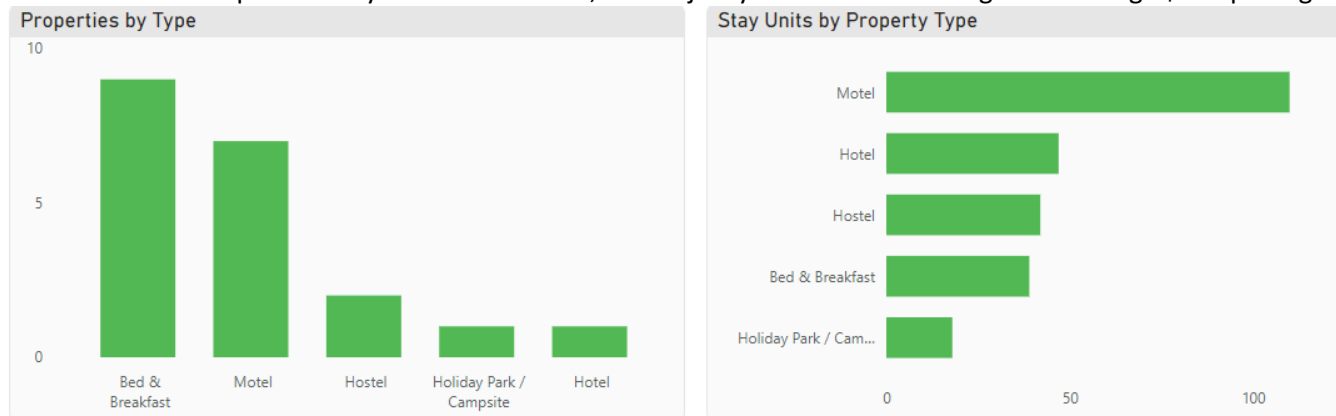
### **Sustainability Moving Workshop**

We took our next Sustainability event on the road to Raglan, where 30 attendees were introduced to nine great business operators and heard first-hand how they successfully implemented sustainable practices that not only improved their business, but also contributed to a regenerative future. The unique selection of businesses covered a range of sustainability and regenerative tourism topics, and provided tips and ideas around easily transferrable and cost-effective operations that attendees could adopt in their own operations. We were also joined by sustainability expert, Nicola Turner from Mainstream Green who shared her insights and advice throughout the journey. The attendees also had the opportunity to share their sustainability journey amongst the group, where many discussed their wins, opportunities for collaborations, challenges and solutions.

### **Commercial Accommodation**

We utilised central government funding to commission a report by Horwath HTL to consider our commercial accommodation offering and identify needs and opportunities. This report has been provided to our council representatives and is available for anyone who might be considering developing commercial accommodation within the mighty Waikato.

Similarly, we have utilised the additional funding to develop a Commercial Accommodation Profile tool. This has already been utilised for events considering moving to our region. For Waitomo, this tool indicates there are 20 commercial accommodation providers in the district, providing 256 stay units. The majority of accommodation in Waitomo district is provided by B&Bs and Motels; the majority are 3-3.5 star ratings and average \$200 per night.



## Product support provided to cultural operators across the region

The team have provided a variety of support services to our cultural tourism operators. Some of this support has been funded by central government funds allocated to provide consultants; attendance at capability building workshops; and other support has been by the way of one-on-one support with the HWT team:

- Te Ahurei Māori Tourism – now BRONZE Qualmark certified
- Sands of Kawhia Hotel
- Tainui Waka Tourism Inc
- Rangiriri Development
- Okū Tea
- Hine Tours
- Port Waikato Holiday Park
- Te Puna Wai Tours
- River Riders
- Move Your Tinana Kawhia (event)
- NZ Māori Tourism connections and strong relationship developing
- IBCPC Dragon Boat Event – connected organisers with local hapu for assistance

We have recently commissioned a consultant to undertake a Cultural Tourism Gap Analysis. This work is in conjunction with Tainui Waka Tourism Inc.

In addition, the HWT team have been working more with NZ Māori Tourism and have undertaken Te Reo lessons with Fraser High Schools's Adult Learning team.

## Capability Building for the Industry

Our central Government funding provided us with the opportunity to offer an accelerated capability building programme. Symposiums, workshops, webinars and one-on-one support has been provided to a range of operators throughout the region. We held 40 events, which enabled 1,364 individuals to attend; along with providing 37 businesses with direct support. Returning to "BAU" funding means this activity will decrease to two symposiums and support for operators from our Development Manager.



## Food & Beverage Tourism Strategy

We utilised more central government funding to produce a Food & Beverage Tourism Market Development Strategy for the region. The strategy was developed with consultation from producers, hospitality sector, F&B sector bodies, event managers and caterers. Implementation activity has included:

- Development of an Advisory Group to share in the ownership of the strategy, to help guide direction for the action plan and collaborate on specific projects
- Content creation – new content created and existing refreshed for waikatonz.com, social media content created including Reels, specific media pitching and coverage (see above marketing media section)
- Integration of more F&B based content in HWT campaign activity
- Launching ‘Berry Month’ campaign and promotion (see marketing section for more detail)
- Image library asset creation – photo and video shoots in Hamilton, Raglan, Te Aroha, Matamata, Morrinsville and Cambridge areas.
- Development of a Waikato Provenance Mark – research to explore if and what a provenance mark for the Waikato could look like.
- Support and encourage feasibility work towards developing a new event for the region.

## Weather related State of Emergency

National State of Emergency was announced in response to the damage caused from Cyclone Gabrielle, which has followed closely behind Cyclone Hale. With official advice being “delay travel” and only travel if absolutely necessary, visitation over the summer was lower than we would have expected.

MBIE instigated the Visitor Support Emergency Advisory Group (VSEAG) to support visitors the affected regions – Auckland, Northland, Coromandel, Tairāwhiti, Hawkes Bay and Waikato. This group consisted of TEC, TIA, TNZ, MBIE, NEMA, MFAT, DOC, Ministry of Education, Immigration NZ etc. The purpose of VSEAG is to support the emergency response when the emergency impacts large numbers of visitors and managing the response for those visitors; and then some small part in the "recovery" afterwards.

Our region was initially omitted from the central Government Cyclone Recovery funding therefore HWT strongly advocated for our sector and region to be reconsidered. This resulted in our region being included with the funding allocated to and by Thames Coromandel District Council.

## Sustainable funding

As you are aware, HWT received funding from central Government as part of COVID recovery funding packages, as did all RTOs. This additional funding elevated our existing mahi and allowed further workstreams to be implemented, as you will have noticed above throughout our report. This funding has now been utilised.

Now that we return our normal levels of funding our activity will return to pre-covid levels. The projects/workstreams impacted are:

- Food & Beverage – we now have a fantastic Food & Beverage Tourism Market Development Strategy for the region and have created powerful promotional assets. We will include the food and beverage offering within our usual work but will be unable to elevate further or fully realise the recommendations of the Strategy.
- Regenerative Tourism/Sustainability – we are unlikely to be able to provide any major impact with our operators or visitors other than encouraging the use of Tiaki within an operator’s offering.
- Communications Specialist – we engaged a Communications specialist which enabled increased content creation and cut-through with media articles and coverage. This activity will return to pre-covid levels.
- Ambassador programmes – the four additional programmes have been created and workshops were provided free of charge. Now that this funding has been utilised, we return to charging an attendance fee to cover the associated costs.
- Capability Building - work will continue as per pre-covid plans – two symposiums per year and our Development Manager available to support operators. However, the extensive and intensive workshop programme which was provided to operators free of charge will no longer be possible to deliver.
- Marketing campaigns - domestic, international and business events promotional activities were substantially elevated and increased in frequency with this funding. This activity will return to pre-covid levels.
- Matariki campaigns were implemented with this funding to support celebrating Matariki in the Waikato and the Matariki ki Waikato festival. BAU budgets unfortunately do not allow for this activation to continue.
- Mighty Local campaign – this activity was launched during Covid. Building on existing efforts, the increased focus on targeting locals proved incredibly beneficial in building ongoing awareness of our visitor offerings. This activity did not exist pre-covid and does not fit within our ‘normal’ funding levels.
- Attraction of Business Events was increased during this period. We were able to host more event buyers in region and out of region than we are able to with usual levels of funding and implement specific digital marketing initiatives.
- Residents and Visitor Sentiment surveys have been conducted over two summer seasons, with results available by region and by district. These provide insights into how our residents feel about tourism, the benefits and the perceived/real negative impacts of tourism.
- Data and insights tools have been developed and utilised. These have ongoing annual fees that we’ll struggle to pay for all the tools we’ve become accustomed to utilising to provide data to you.
- We have worked with our business events stakeholders to develop a Business Event Strategy for the region, but as yet, have no additional funding to deliver the actions identified by our stakeholders.

We are extremely grateful for the funding we receive from our council partners, however sustainably delivering to the now elevated stakeholder expectations while also managing rising implementation costs is challenging. We are reticent to lose the momentum and traction we have gained through these central government funded projects and would like to be able to continue to successfully deliver on the outcomes of the Destination Management Plan.

We will work with partnering councils to either seek increased funding or decrease expectations in our next three-year Service Level Agreement during the pending Long-Term Plan.

## Conclusion

As we continue to strive for the visitor sector to enrich our communities; as we readjust and return to 'normal' baseline funding; our focus and activity for the coming financial year includes:

- destination marketing with focus on domestic and international visitors;
- attracting travel trade, wholesalers and agents to include our region and operators in their itineraries and sale collateral; assist our operators become 'trade ready'
- proactively work to ensure our region is highly regarded with event organisers; attracting event organisers and conferences to our region
- proactively assist and encourage hotel development in Kirikiriroa Hamilton, which will benefit the wider Waikato region
- assist and encourage operators to embed Regenerative Tourism and sustainability measures into their activity
- deliver Ambassador programmes for Kirikiriroa-Hamilton, Waipā, Ōtorohanga-Waitomo, Waikato and Matamata-Piako districts
- continuing to work with our industry to develop capability; including two industry symposiums
- delivering capability building opportunities with the Regional Events Fund for Waikato, Rotorua, Ruapehu and Taupō while Regional Event Fund remains available
- continuing to lobby and advocate for the visitor sector with Government
- further embed the Waikato Destination Management Plan where resources allow
- continue to partner with neighbouring regions on collaborative activities
- after providing 'partnership holiday' to our partners (while we had central government funding), we'll continue to re-attract 'industry contribution' through our partnership with operators.

On behalf of the board and management of Hamilton & Waikato Tourism, we thank Waitomo District Council, our local government partners and the industry for their continued partnership. Your proactive support is greatly appreciated by the tourism sector and our communities.

### **Nicola Greenwell**

Chief Executive  
Hamilton & Waikato Tourism  
July 2023

## APPENDIX 1

### Marketing activity for Waitomo

A summary of specific media, trade and leisure marketing for Waitomo is detailed below:

Target market	Campaign or activity	Waitomo experiences profiled
<b>Media – domestic &amp; international famils + coverage</b>	Media coverage, hosting and famils profiling Waitomo: <ul style="list-style-type: none"> <li>• National Geographic UK</li> <li>• TODAY Show AU</li> <li>• TNZ Global Hui</li> <li>• Waikato Herald</li> <li>• Stuff.co.nz</li> <li>• NZ Herald</li> <li>• King Country News</li> <li>• ARE Media AU</li> <li>• Bare Kiwi</li> <li>• Forbes Advisor USA</li> <li>• 9Honey AU</li> <li>• Roads Less Travelled</li> </ul>	Waitomo Adventures, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave), Legendary Black Water Rafting, Waitomo Trail Run, Caveworld, Omaru Falls, The Waikato to Taranaki Way, The Timber Trail, Matariki ki Waitomo events, Fat Pigeon, Te Kuiti township, Waitomo Caves Discovery Centre, Sir Colin Meads statue, Mōkau, Waitomo Top 10, Waitomo Adventures
<b>Travel Trade – training &amp; events</b>	International trade events and webinars profiling/attended by Waikato: <ul style="list-style-type: none"> <li>• KiwiLink North America</li> <li>• Travel 2 USA virtual training</li> <li>• ECNI Down Under Endeavours USA virtual training</li> <li>• KiwiLink UK/Europe</li> <li>• KiwiLink Asia</li> <li>• AU sales calls</li> <li>• RTO/ITO</li> <li>• eXplore Show</li> <li>• TRENZ</li> <li>• GoWay USA virtual training</li> </ul>	Trade-ready products: Waitomo Adventures, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave, Legendary Black Water Rafting Co, Homestead Cabins), Waitomo Top 10 Holiday Park, Caveworld, Abseil Inn, Te Tiro, Waitomo Village Chalets, Roselands, Spellbound, Down to Earth, The Timber Trail
<b>Travel Trade – famil hosting</b>	Hosted in region: <ul style="list-style-type: none"> <li>• TNZ UK &amp; Germany Agents</li> <li>• TNZ US Agents</li> <li>• TNZ Global hui</li> <li>• Go New Zealand - AU</li> <li>• MTA Travel – AU</li> <li>• General Travel – Singapore</li> <li>• Air NZ – North America</li> <li>• Helloworld – AU</li> <li>• Group Travel – AU</li> <li>• Destination Travel – AU</li> <li>• Fast Five Travel – Phillipines (TRENZ Famil)</li> <li>• Beijing Step the world – China (TRENZ Famil)</li> <li>• Bomerang Reisen – Germany (TRENZ Famil)</li> </ul>	Trade-ready products: Waitomo Glowworm Caves, Ruakuri Cave, Legendary Black Water Rafting Co

	<ul style="list-style-type: none"> <li>• Volotwo – Germany (TRENZ Famil)</li> <li>• Thomas Cook – India (TRENZ Famil)</li> <li>• Parul Tours – India (TRENZ Famil)</li> </ul>	
<b>Domestic consumer -Local, Hamilton &amp; Waikato</b>	<ul style="list-style-type: none"> <li>• Matariki June – July 2022</li> <li>• Always On Facebook</li> <li>• Motorhome &amp; Caravan Show</li> <li>• Berry Activation</li> <li>• Waikato to Taranaki Way</li> <li>• Matariki June – July 2023</li> </ul>	Waitomo Adventures, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave), Legendary Black Water Rafting, Waitomo Trail Run, The Waikato to Taranaki Way, The Timber Trail, Marokopa Falls, Ruakuri Bush Walk, Matariki ki Waitomo events, Fat Pigeon, Te Kuiti township, Waitomo Caves Discovery Centre, Sir Colin Meads statue, Mōkau, Matariki events 2023
<b>Domestic consumer - External Drive &amp; Fly Markets</b>	<ul style="list-style-type: none"> <li>• Matariki June – July 2022</li> <li>• Winter Campaign</li> <li>• Always On Facebook</li> <li>• Motorhome &amp; Caravan Show</li> <li>• Waikato to Taranaki Way</li> <li>• Summer/Autumn Campaign</li> </ul>	Matariki ki Waitomo events Legendary Black Water Rafting, Waitomo Trail Run, The Waikato to Taranaki Way, Waitomo Adventures, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave), The Timber Trail, Marokopa Falls, Ruakuri Bush Walk, Fat Pigeon, Te Kuiti township, Waitomo Caves Discovery Centre, Sir Colin Meads statue, Mōkau
<b>Domestic consumer – Chinese New Zealanders</b>	Ongoing campaign activity has continued through our Weibo social media channel, blogs, community forums etc	Mangapohue Natural Bridge, Marokopa Falls, Omaru falls, Waitanguru Falls. Waitomo Glowworm Caves Waitomo Adventures-The Lost World, Marokopa Falls, Aranui Cave, Waitomo Caves, Omaru Falls, Matariki events
<b>Domestic &amp; International consumer</b>	2023 Hamilton & Waikato Regional Visitor Guide	Waitomo district and towns profiled in 'Regional highlights', 'Waitomo and Surrounds' sections. Waitomo district-based tourism operators have advertised in their respective sections. Events based in Waitomo have also been profiled in the 'Events' section.
<b>Domestic &amp; international consumer, travel trade and media</b>	<b>Quarterly e-newsletters distributed to our consumer, trade and media databases featuring:</b> Discover Waitomo, Waitomo Glowworm Caves, Waitomo Trail Run, Waitomo Caves, Black Water Rafting. Matariki events, Matariki Twilight Glowworm Cave Tour, the Lost World, Black Water Rafting, Ruakuri Bush Walk, Waitomo Adventures, Waitomo region.	
<b>Domestic &amp; International consumer</b>	<b>Waitomo profiled through HWT's website and various social profiles including Facebook, Instagram, Twitter &amp; YouTube, including:</b> Ruakuri Walk, Omaru Falls, Waitanguru Falls, Waitomo Trail Run, Marokopa Falls, Discover Waitomo, Mangaotaki Scenic Reserve, Pureora Forest Park, Mangaokewa Scenic Reserve, The Timber Trail, Tunes of Waikato, Te Kuiti township, Waitomo Caves Discovery Centre, Meads Brothers Exhibition, Conservation Week, Waitomo Trail Run 2022, Waitomo Caves-Māori Language Week, Waitomo District Christmas Parade, Hairy Feet Waitomo, Piripiri Cave Walk, Wai Dome O, Marokopa, Mangapohue Natural Bridge, Waitomo Adventures - The Lost World. Matariki events, Tatsuno Japanese Garden, Sir Colin Meads Statue, Shearing Statue, New Zealand Shearing Championships, Te Kuiti Trust Waikato Millennium Pavilion, Waitomo Glowworm Caves, Legendary Black Water Rafting, Waitomo Museum of Caves, Hairy Feet Waitomo, Spellbound Glowworm and Cave Tours, Te Kuiti, Mangaotaki Walk, Ruakuri Reserve Walk.	



**The Mighty Waikato**  
Where magic runs deep

**Waitomo District Council**  
Annual Report – July 2022 to June 2023

**Hamilton & Waikato**  
TOURISM

# Regional Insights

(Jul 2022 – Jun 2023)

**\$750m**

for the year;

**DOMESTIC** Tourism Electronic Card  
Transactions  
4th  
6.4% share of domestic visitor spend

**\$104m**

for the year;

**INTERNATIONAL** Tourism Electronic  
Card Transactions  
6th  
3.2% share of international visitor spend

SOURCE: MBIE: Tourism Electronic Card  
Transactions (YE May 2023)

**1.1m** visitors to Waikato for  
the month;

**39,200** each day

3rd  
8.9% market share

SOURCE: DataVentures (May 2023)

**112,800** delegates

hosted at **822** Business Events

= **10%** share

SOURCE: Business Events Data (YE March 2023)

**1.3m**

commercial guest nights for the year

**3.5%** share of

commercial guest nights in New  
Zealand

**57.4%** occupancy of

commercial accommodation  
(NZ Occupancy = 53%)

SOURCE: Accommodation Data Programme  
(YE May 2023)

International visitor arrivals

**2,114,299**

to New Zealand  
839% increase on last year

**Key Markets:**

Australia – 1,189,099  
USA – 245,493  
UK – 165,588

Prior to Covid-19, NZ welcomed  
3,891,255 international visitors per  
annum

SOURCE: Stats NZ International Visitor Arrivals  
(YE April 2023)

**The Mighty  
Waikato**

Where magic runs deep

# Waitomo Insights

24

(Jul 2022 – Jun 2023)

## Commercial Accommodation

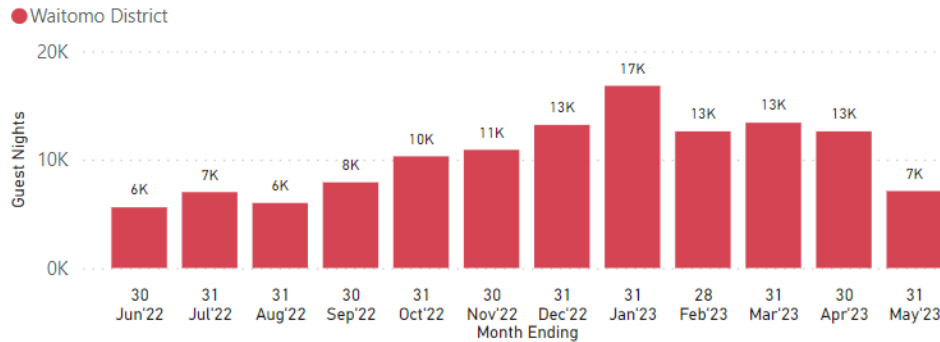
**50%** occupancy (NZ: 53%)

**1.8** Average nights stayed

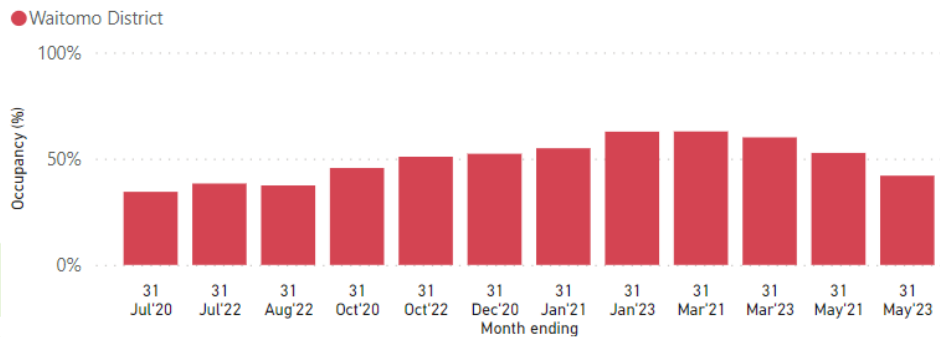
**123,200** guest nights

Year End May 2023

Total Guest Nights by TA



Monthly Average Occupancy Rate by TA



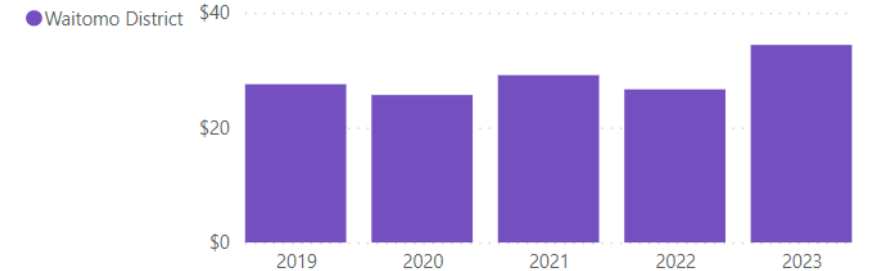
## Visitor Spend

Total Domestic Spend (\$M) -  
YE May '23

\$34.4

▲ 29.0%  
YoY Change

6.4%  
Market Share (12 Months)  
4  
RTO Rank

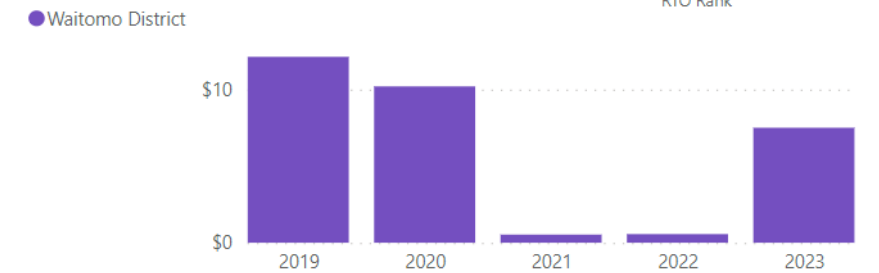


Total International Spend (\$M) -  
YE May '23

\$7.5

▲ 1233.0%  
YoY Change

3.2%  
Market Share (12 Months)  
6  
RTO Rank



Tourism Electronic Card Transactions (TECT): year ending May 2023 (MBIE)

**The Mighty Waikato**

Where magic runs deep



# Tiaki in Waitomo



**The Mighty  
Waikato**  
Where magic runs deep

# Tiaki in Waitomo

## Aim of the pilot project:

- Select a community already committed to Tiaki, caring for people and place, to run a pilot project with the aim of then being able to replicate across other communities
- Educate local industry about how they can embrace Tiaki (or share how they already are), and encourage manuhiri/visitors to the that community to do so as well

## Why Waitomo?

- Iconic destination for region and country
- Fantastic mahi already being done, especially around conservation, by many operators – opportunity to build on this
- Small, centralised, connected community where we could have greater impact – with operators and residents, and also with manuhiri/visitors

# Tiaki in Waitomo

## Operator capability

- Industry Event
- Resources
- Advice



### Why bring Tiaki to life

- Reduce negative behavioural or environmental impacts of your visitors.
- Show visitors that your business is part of the wider Aotearoa experience.
- Show the Waitomo community that your business is setting expectations for behaviour.

**How visitors can care for Waitomo**  
Tiaki means to care for people, place and culture. The behaviours that Tiaki asks of visitors are below. These can be adapted and used in a way that makes sense for Waitomo.



**The Mighty Waikato**  
Where magic runs deep



### Guide your team

Your team plays an important role in the manaaki of visitors to Waitomo. They are hosts, guides, and representatives for us all. Ensure that staff know how to share the meaning and intent of Tiaki as well as the behaviours it promotes.

### Display Tiaki at your place

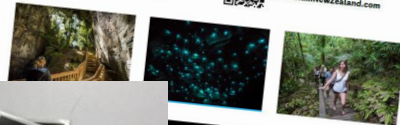
You can find printable and digital collateral such as posters, table talkers, decals, and poster designs in the Tiaki asset kits. Print what you need and show your visitors that you support the Tiaki kaupapa.

### Share your commitment

Show your followers that you support the Tiaki kaupapa by sharing a personalised photo or video out to your channels. Be sure to include #tiakipromise to join the conversation.



Find assets and information at [www.TiakiNewZealand.com](http://www.TiakiNewZealand.com)



**100% PURE NEW ZEALAND**



## Council assistance

- Advocacy for Tiaki across district
- Signage in village and district
- Facilitation of services ie recycling



**The Mighty Waikato**

Where magic runs deep

# Tiaki in Waitomo

- Video & Written content series
  - Operators to be able to use on their own channels to share their stories with visitors
  - HWT to use as examples for other Waikato operators and communities
  - HWT to use in channels to promote Tiaki, Waitomo and wider region
  - HWT to explain the concept and how it works in the community

**Tiaki in Waitomo**

**Care for magical underground world 'common sense' for Waitomo Adventures**

Dozens of hectares of tree planting, hundreds of thousands of dollars invested in an energy-efficient visitor centre and countless hours spent on pest control. These are just a taste of the immense care Waitomo Adventures' owner Nick Andrieff puts into protecting the magical underground world he and his team of tour guides have come to call their second home.

Over the past 33 years, Waitomo Adventures has grown from a small startup tourism business into one of Waitomo's most celebrated providers of caring and outdoor adventure experiences.

The company guides, abseils and whitewater rafts through the stunning and creatively named Lost World and Haggas Horking Holes caves, providing excitement, laughs and lasting memories for guests from New Zealand and around the world.

As guests leave the visitor centre and get closer to the The Lost World and Haggas Horking Holes, they experience the next jewel in the company's sustainability crown – a burgeoning native forest, alive with birds like tu, karenu and rewaewaka, as well as all manner of insects.

"It's about the environment. It's about the people. It's about all the pieces of the situation, so it's important that we have the local community and that we work with the community and grow them into care guides. If we can, [we want to] help the whole community to be a stronger, better, more intelligent place."

"The result of Nick's work has undoubtedly been a positive one, and it's something he immensely proud of. His passion for the environment, respect he gives them is given back in equal measure, resulting in respect for the caves and environment as they tour through."

"We need our guests to respect the environment because unless they do, these wonderful resources won't be around forever. We want to and even after I'm long gone, hopefully the next generation of cave operators will be using exactly the same caves and probably being able to show these wonderful resources."

**The Mighty Waikato**  
Where might meets deep

**tiaki**

## Sharing our stories

- Operators themselves – encourage profile on websites, email signatures, guest communications, on-site
- Industry & media locally
- Industry nationally
- Manuhiri – pre visit and while in Waitomo

### The Tiaki Promise



Tiaki means to care for people and place.

New Zealand is precious, and everyone who lives and travels here has a responsibility to look after it.

The Tiaki Promise is a commitment to care for New Zealand, for now and for future generations. By following the Tiaki Promise, you are making a commitment to New Zealand. To act as a guardian, protecting and preserving our home. Find out more about the Tiaki Promise.

Nau Mai, Haere Mai Ki Aotearoa, Welcome to New Zealand.

### Discover Waitomo



#### About Waitomo

Waitomo is a world-renowned destination and one of New Zealand's top tourist attractions.

#### The History of Waitomo Glowworm Cave

The caves were first explored in 1887 by local Maori Chief Tane Tinorau accompanied by an English surveyor Fred Mace.

#### Environment & Sustainability

Discover Waitomo is privileged to be both the commercial operator and kaitiaki of the Waitomo Glowworm Cave, the Ruakari Cave and the Aranui Cave...

29

# THE WAIKATO TARANAKI WAY

The Mighty  
Waikato  
Where magic runs deep

TARANAKI  
  
like no other

Experience a mighty road journey – like no other

**The Mighty  
Waikato**  
Where magic runs deep



# AMBASSADOR

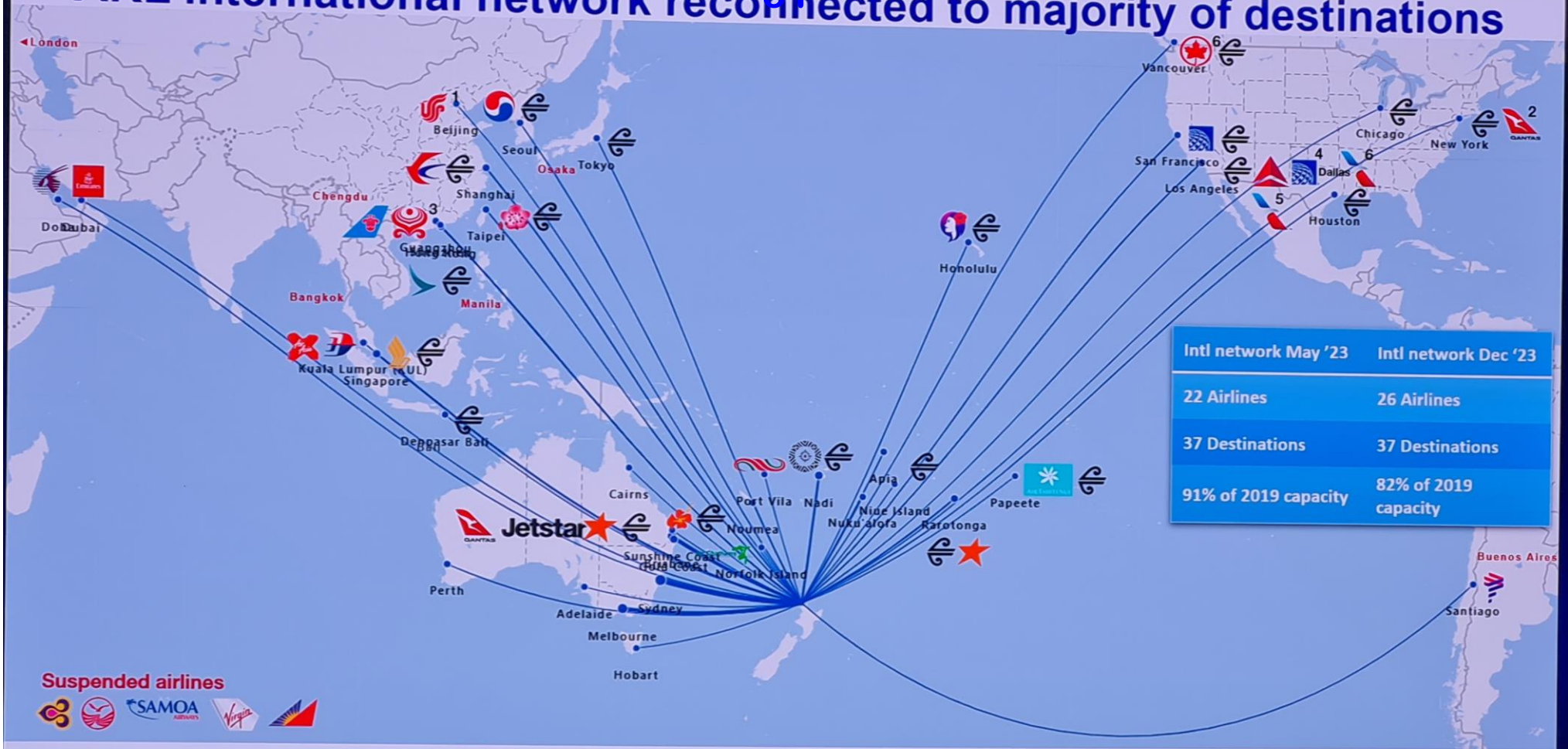
## ŌTOROHANGA WAITOMO



**The Mighty  
Waikato**

Where magic runs deep

# AKL international network reconnected to majority of destinations



<sup>1</sup>CA restarts PEK in May 23 | <sup>2</sup>QF launches JFK in Jun 23 | <sup>3</sup>HU restarts SZX in Jun 23 | <sup>4</sup>DL & UA launches LAX in Oct 23  
<sup>5</sup>AA launched LAX in Dec 23 | <sup>6</sup>AC YVR & AA DFW only operate in NW season



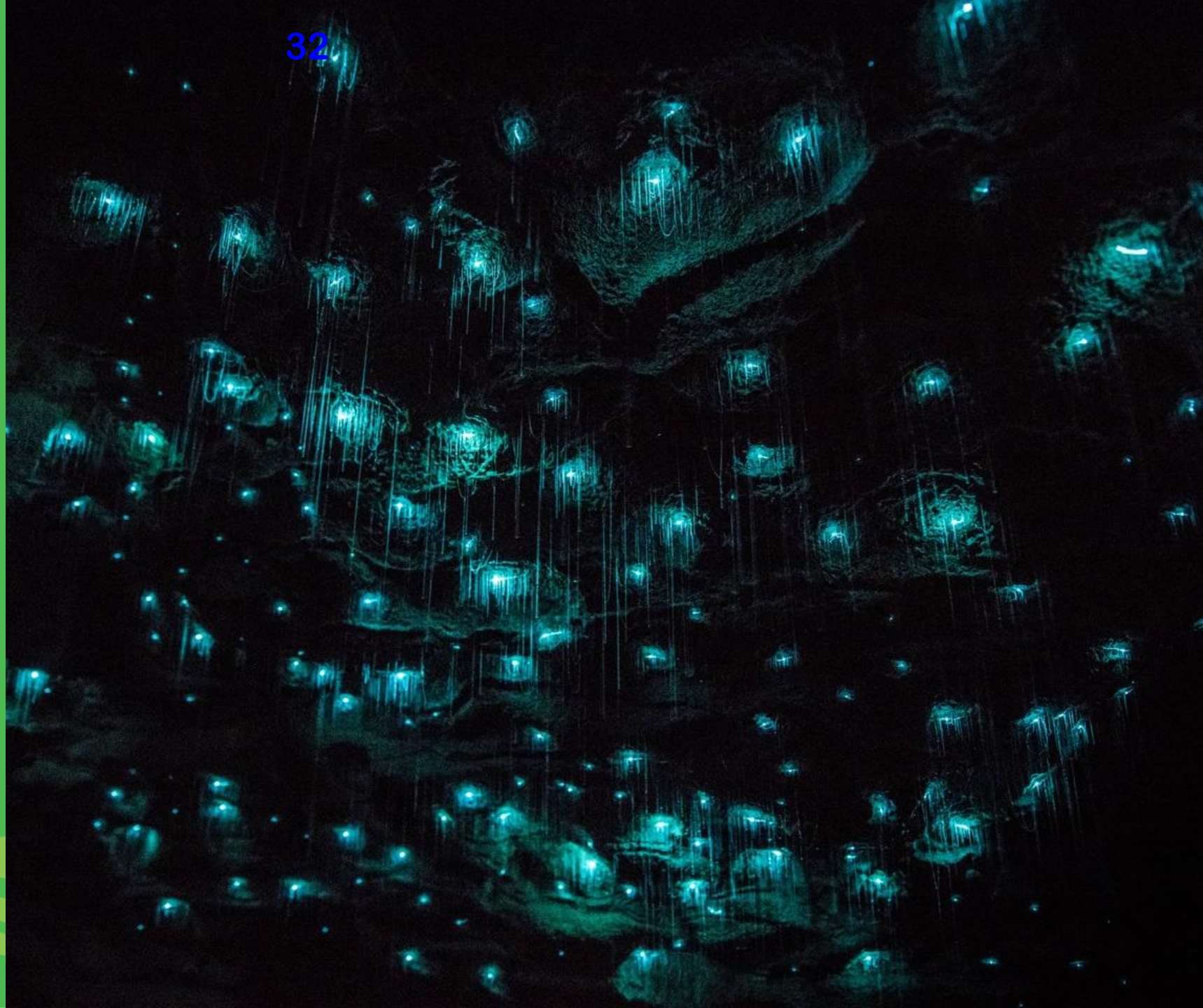
**The Mighty Waikato**

Where magic runs deep

**“You can do  
anything  
but not  
everything”**

David Allen

32





# Kia kaha

## The Mighty Waikāto

Where magic runs deep



Find out more:  
**[waikatonz.com](http://waikatonz.com)**

## WAITOMO DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 27 JUNE 2023 AT 9.00AM

**PRESENT:** Mayor John Robertson  
Deputy Mayor Allan Goddard  
Councillor Eady Manawaiti  
Councillor Janette Osborne  
Councillor Janene New

**IN ATTENDANCE:** Dr Bridget Mosley (Museum Director, Waitomo Caves Discovery Centre)

Janis MacDonald (Waitomo Sister City Incorporated), Thanya Pandian (Student, St Joseph's Catholic Primary School), Kevin Ikin (Principal, Centennial Park School), four supporting adults and four other students who travelled to Japan (on behalf of Waitomo Sister City Incorporated)

Chief Executive, Ben Smit  
Manager – Governance Support, Michelle Higgie  
General Manager – Community Services, Helen Beever (for part only)  
Manager – Strategy and Policy, Charmaine Ellery (for part only)  
Leader – Communications and Engagement, Jenelle Burnell (for part only)  
Chief Financial Officer, Tina Hitchen (for part only)  
Placemaking and Development Lead, Rangiwhiua Ngatai (for part only)  
Manager – Community Development, Sarah McElroy (for part only)  
Senior Strategy and Policy Advisor, Alice Tasker (for part only)  
General Manager – Strategy and Environment, Alex Bell (for part only)  
Senior Strategy and Policy Advisor, Alice Tasker (for part only)

#### 1. Karakia Tuwhera

#### 2. Apologies

Apologies were received from Councillors Dan Tasker and Gavin Todd.

#### Resolution

The apologies received from Councillors Dan Tasker and Gavin Todd be received and leave of absence granted.

Robertson/Goddard      Carried

#### 3. Declarations of Member Conflicts of Interest

Member interests were declared as follows:

#### **Councillor Osborne** (Interest only – no conflict)

Item 4 Waitomo Caves Discovery Centre - Council appointed Board Member  
Item 5 Waitomo Sister City - Committee Member  
Item 10 Maru Trust - Existing Trustee

#### **Councillor New** (Interest only – no conflict)

Item 5 Waitomo Sister City - Committee Member

**4. Presentation – Waitomo Caves Discovery Centre – Reporting against Multi-Year Community Partnership Grant Agreement**

Dr Bridget Mosley, Museum Director, Waitomo Caves Discovery Centre was in attendance to present and speak to the Waitomo Caves Discovery Centre’s Multi-Year Community Partnership Grant Agreement.

**Resolution**

The Presentation from Waitomo Caves Discovery Centre – Reporting against Multi-Year Community Partnership Grant Agreement be received.

New/Goddard Carried

Waitomo Sister City representatives (six adults and five students) entered the meeting at 9.10am

**5. Deputation – Waitomo Sister City**

Janis MacDonald (Waitomo Sister City Incorporated), Thanya Pandian (Student, St Joseph’s Catholic Primary School) and Kevin Ikin (Principal, Centennial Park School) supported by four adults and four students (on behalf of Waitomo Sister City Incorporated) attended the meeting to brief Council on the recent visit to Waitomo’s Japanese Sister City on Japan – Tatsuno.

A group photograph was taken of the Waitomo Sister City Representatives, Students, and Council members.

**Resolution**

The Deputation from Waitomo Sister City Incorporated be received.

Robertson/New Carried

Waitomo Sister City representatives left the meeting at 9.35am

The General Manager – Community Services, Manager – Strategy and Policy and Leader – Communications and Engagement left the meeting at 9.35am.

**6. Confirmation of Minutes: 18 May 2023 (Hearing and Deliberation of Submissions to draft Annual Plan 2023/2024)**

**Resolution**

The Minutes of the Waitomo District Council meeting of 18 May 2023 (Hearing and Deliberation of Submissions to draft Annual Plan 2023/2024) be confirmed as a true and correct record subject to the following correction:

Page 3 – signatory for the Confirmed Minutes to be the Deputy Mayor Allan Goddard who chaired the meeting as Mayor John Robertson had tendered an apology.

Robertson/Osborne Carried

**7. Confirmation of Minutes: 30 May 2023**

**Resolution**

The Minutes of the Waitomo District Council meeting of 30 May 2023, including the public excluded Minutes, be confirmed as a true and correct record.

Robertson/New Carried

## 8. Verbal Reports: Elected Member Roles and Responsibilities

Elected members gave verbal reports on their individual portfolio roles and responsibilities as follows:

### Councillor Janene New

1. Legendary Te Kuiti Meeting
2. Picked up Waitomo Sister City travelling contingent from Auckland Airport
3. Matariki Celebration (Friday morning ceremony)

### Deputy Mayor Allan Goddard

1. Civil Defence Joint Committee
2. Benneydale Hall Committee

### Councillor Eady Manawaiti

1. Hui with Grace Everitt (Community meeting today, 5.30pm at Les Munro Centre)
2. Hui at Te Kuiti Pa (including korero on Māori Wards and Representation)
3. Hui with Holland Whanau re Water Reservoir options – further meeting Thursday 29 June at 2pm hosted by Jimmy Holland)

### Councillor Janette Osborne

1. Waitomo Museum Society Meeting
2. Regional Transport Committee Meeting

### Mayor John Robertson

1. Apology for tonight's Community meeting arranged by Grace Everitt
2. Meeting with Ruapehu District Council Mayor and Chief Executive
3. Citizenship Ceremony – 22 June
4. Matariki Celebrations (Friday morning ceremony and Saturday at Les Munro Centre)
5. Mokau Volunteers Evening
6. MSD Money Expo (District Students – Career Opportunities)

### **Resolution**

The verbal reports be received.

Robertson/New Carried

## 9. Mayor's Report – June 2023

Council considered the Mayor's Report for June 2023.

### **Resolution**

The Mayor's Report – June 2023 be received.

Robertson/Goddard Carried

## 10. Maru Energy Trust – Endorsement of Appointment

Council considered a business paper seeking Council's endorsement of the appointment of Ruapehu District Mayor, Weston Kirton, as a Trustee of the Maru Energy Trust representing the Otorohanga, Ruapehu, Taupo and Waitomo District Councils jointly.

The Mayor expanded verbally on the business paper and answered members' questions.

### **Resolution**

1. The business paper on Maru Energy Trust – Endorsement of Appointment be received.
2. Council endorse the appointment of Ruapehu District Mayor, Weston Kirton, as the joint representative on the Maru Energy Trust for the Otorohanga, Ruapehu, Taupo and Waitomo District Councils jointly.

Goddard/Osborne Carried

The Chief Financial Officer entered the meeting at 9.50am.

**11. Local Government New Zealand – 2023 Annual General Meeting: Election of President and Vice-President and Consideration of Remits**

Council considered a business paper requiring determination as to how it wishes to vote at the 2023 Local Government New Zealand Annual General Meeting on the election of President and Vice President and on remits received.

The Mayor and Chief Executive expanded verbally on the business paper and answered Members' questions.

**Resolution**

- 1 The business paper on Local Government New Zealand – 2023 Annual General Meeting: Election of President and Vice-President and Consideration of Remits be received.
- 2 Mayor Robertson be authorised to vote in support/opposition of the Remits to be considered at the 2023 Local Government New Zealand Annual General meeting as follows:

Remit	Support/ Oppose	Comments
1 Allocation of Risk and Liability in the Building Sector	Mayor's Discretion	The Mayor to listen to the debate at the AGM and vote at his discretion. Chief Executive to get some advice from the General Manager – Strategy and Environment.
2 Rates Rebate	Support	
3 Roothing/Transport Maintenance Funding	Support	
4 Local Election Accessibility	Support	
5 Ability for co-chairs at Formal Meetings	Mayor's Discretion	The Mayor to listen to the debate at the AGM and vote at his discretion.
6 Parking Infringement Penalties	Support	
7 Rural and Regional Public Transport	Support	
8 Establishing Resolution Service	Support	
9 Earthquake Prone Buildings	Mayor's Discretion	The timeframes are not the problem - the cost of compliance is the problem. The Mayor to listen to the debate at the AGM and vote at his discretion.
10 KiwiSaver Contributions for Elected Members	Oppose	Ratepayers should not be paying for this.
11 Audit NZ Fees	Support	

- 3 Mayor Robertson be delegated authority to use his discretion in voting for the positions of President and Vice-President.

New/Goddard      Carried

**12. Information Services, Finance and Leadership/Governance Activity Update Report**

Council considered a business paper providing an update on activities of Finance, Information Services and Leadership/Governance.

The Chief Executive and Chief Financial Officer expanded verbally on the business paper and answered members' questions.

**Resolution**

The business paper on Information Services, Finance and Leadership/Governance Activity Update Report be received.

Manawaiti/New      Carried

The General Manager – Community Services, Manager – Strategy and Policy, Placemaking and Development Lead and Manager – Community Development entered the meeting at 10.23am.

### **13. Vibrant Waitomo Strategy and Action Plan**

Council considered a business paper presenting the Vibrant Waitomo Strategy and Action Plan for endorsement.

The General Manager – Community Services and Chief Executive expanded verbally on the business paper and answered members' questions.

Councillor Osborne noted that Maru Energy Trust could have a role in the Strategy and Action Plan and suggested that the Trust be invited to make a presentation to Council on its activities.

#### **Resolution**

- 1 The business paper on Vibrant Waitomo Strategy and Action Plan be received.
- 2 Council endorse the Vibrant Waitomo Strategy 2023 and Action Plan 2023-2024.

Robertson/New      Carried

The Manager – Community Development left the meeting at 10.37am.

### **14. Waitomo Housing Strategy**

Council considered a business paper presenting the Waitomo Housing Strategy to Council for adoption.

The General Manager – Community Services and Placemaking and Development Lead expanded verbally on the business paper and answered members' questions.

Councillor Osborne noted that Maru Energy Trust could also have a role to play in Action 13 contained in the Strategy.

#### **Resolution**

- 1 The business paper on Waitomo Housing Strategy be received.
- 2 Council adopt the Waitomo Housing Strategy.
- 3 The Chief Executive be authorised to make any final editorial amendments to the Waitomo Housing Strategy document.

Robertson/New      Carried

The General Manager – Community Services, Placemaking and Development Lead and Manager – Strategy and Policy left the meeting at 10.52am.

The meeting adjourned for morning tea at 10.52am and reconvened at 11.10am.

The General Manager – Strategy and Environment and General Manager – Infrastructure Services entered the meeting at 11.10am.

### **15. Finance Report for period ending 31 May 2023**

Council considered a business paper providing an overall progress report on financial activities for the period ending 31 May 2023.

The Chief Financial Officer expanded verbally on the business paper and answered members' questions.

**Resolution**

The business paper on Financial Report for period ended 31 May 2023 be received.

Robertson/Manawaiti Carried

The Chief Financial Officer and General Manager – Infrastructure Services left the meeting at 11.18am.

**16. Regulatory Activity Update Report**

Council considered a business paper providing an update on work programmes that form part of the Regulatory activity.

The General Manager – Strategy and Environment expanded verbally on the business paper and answered members' questions.

**Resolution**

The business paper on the Regulatory Activity Performance Reporting be received.

Goddard/Osborne Carried

**17. Dog Control Policy and Practices Report 2022/2023**

Council considered a business paper presenting for consideration and adoption the Waitomo District Council Dog Control Policy and Practices Report 2022/2023.

The General Manager – Strategy and Environment expanded verbally on the business paper and answered members' questions.

**Resolution**

- 1 The business paper on Annual Report on Waitomo District Council Dog Control Policy and Practices be received.
- 2 Council adopt the Report on Waitomo District Council Dog Control Policy and Practices 2022/2023 (Doc A672995).

Manawaiti/Osborne Carried

**18. Adoption of Proposed Waitomo District Comprehensive Reserve Management Plan**

Council considered a business paper presenting for adoption the Proposed Waitomo District Comprehensive Reserve Management Plan.

The General Manager – Strategy and Environment expanded verbally on the business paper and answered members' questions.

The Chief Financial Officer entered the meeting at 11.29am.

**Resolution**

- 1 The business paper on adoption of the Proposed Waitomo District Comprehensive Reserve Management Plan be received.
- 2 Pursuant to the requirements set out in section 41 of the Reserves Act 1977, Council adopts the Waitomo District Comprehensive Reserve Management Plan.

- 3 That the General Manager – Strategy and Environment be given delegation to approve minor proofing and grammatical changes prior to publishing (if required).
- 4 That Council agrees to undertake a full review of the Waitomo District Comprehensive Reserve Management Plan every six years from the date of adoption.

Goddard/New      Carried

The Manager – Strategy and Policy entered the meeting at 11.35am.

<b>19. Adoption of 2023/2024 Annual Plan</b>
--

Council considered a business paper -

- a) Presenting a draft Annual Plan 2023/24 for Council consideration and adoption as per Section 95 of the Local Government Act 2002; and
- b) Proposing the setting of the rates for the 2023/24 financial year pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002 (LGRA 2002).

The Manager – Strategy and Policy and Chief Financial Officer expanded verbally on the business paper and answered members' questions.

Councillor Goddard thanked the staff for the amount of effort that has gone into developing the draft Annual Plan 2023/24.

**Resolution**

- 1 The business paper on Adoption of Annual Plan 2023/24 be received.
- 2 Council adopt the Annual Plan 2023/24 document.
- 3 The Chief Executive be authorised to make any final editorial amendments to the Annual Plan 2023/24 document and any changes directed by the Council at this meeting.
- 4 Pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002, Council set the rates, charges, and instalment due dates for the 2023/24 financial year commencing 1 July 2023 and ending on 30 June 2024 as follows:

**1 GENERAL RATE**

A General Rate set under section 13 of the Local Government (Rating) Act 2002 (LGRA) made on every rating unit across the District, assessed as a rate per \$100 of capital value. The General Rate is not set differentially. The General Rate will contribute to the funding of:

- Leadership
- Other Land and Buildings
- District Libraries
- Aquatic Centre
- Les Munro Centre
- Aerodrome
- Public Facilities
- Parks and Reserves
- Community Halls
- Cemeteries
- Community Development
- Economic Development
- District Promotion
- Emergency Management
- Regulatory Services
- Waste Minimisation
- Resource Management



**Requirement in 2023/24 (incl. GST)**

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the District	0.21249	9,210

**2 UNIFORM ANNUAL GENERAL CHARGE**

A Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District, set under Section 15(1)(b) of the LGRA. The UAGC will contribute to the funding of:

Leadership  
Parks and Reserves  
District Libraries  
Aquatic Centre  
Les Munro Centre  
Other Land and Buildings  
Public Facilities  
Community Halls  
Cemeteries  
Aerodrome  
Community Development  
Emergency Management  
Regulatory Services  
Resource Management  
Waste Minimisation

**Requirement in 2023/24 (incl. GST)**

Uniform Annual General Charge	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district	\$340	1,884

**Definition of SUIP**

A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

For the avoidance of doubt, a rating unit that has only one use (i.e., does not have separate parts or is vacant land) is treated as being one SUIP.

**3 TARGETED RATES**

Targeted Rates are set on categories of land defined by some factor, such as geographic location or provision of service. The titles of 'Targeted Rate' (TR) and 'Targeted Fixed Rate' (TFR) are used by this Council. Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value or water consumption.

**Targeted Rates Differentiated on Location**

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Aquatic Centre TFR, Piopio Retirement Village Contribution TFR, Rural Stormwater TFR, and Te Kuiti Urban Stormwater TFR and targeted rate.

The following location definitions for the respective rating areas will apply:

Te Kuiti Urban Rating Area	<i>All rating units situated within the Te Kuiti Urban Rating Area (Refer to Revenue and Financing Policy for further details)</i>
Te Kuiti Urban and Periphery Rating Area	<i>All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town), in Te Kuiti. (Refer to Revenue and Financing Policy for further details)</i>
Rural Rating Area	<i>All rating units situated within the Rural Rating Area (Refer to Revenue and Financing Policy for further details)</i>
Piopio Township	<i>All rating units connected or with the ability to connect to the Piopio Wastewater System (Refer to Revenue and Financing Policy for further details)</i>
Piopio Wider Benefit Rating Area	<i>All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIPs connected or with the ability to connect to the Piopio Wastewater System) that are deemed to indirectly benefit from the Piopio Wastewater reticulation network. (Refer to Revenue and Financing Policy for further details)</i>

### 3.1 Aquatic Centre TFR

An Aquatic Centre TFR set under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit in the District, differentiated by rating areas, to part fund the Aquatic Centre Activity. The rating areas for the purpose of assessing the Aquatic Centre TFR will be the Te Kuiti Urban and Periphery Rating Area and Rating Units in the District not in the Te Kuiti Urban and Periphery Rating area.

#### **Requirement in 2023/24 (incl. GST)**

<b>Aquatic Centre (TFR)</b>	<b>Charge per SUIP</b>	<b>Total Revenue Requirement (\$000)</b>
Te Kuiti Urban and Periphery Rating Area	\$122	287
Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area	\$22	72

### 3.2 Piopio Retirement Village Contribution TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Board through the remission of service charges.

#### **Requirement in 2023/24 (incl. GST)**

<b>Piopio Retirement Village Contribution (TFR)</b>	<b>Charge per Rating Unit</b>	<b>Total Revenue Requirement (\$000)</b>
Piopio Wider Benefit Rating Area and Piopio Township	\$20	15

### 3.3 Rural Stormwater TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit in the Rural Rating Area of the District to fund the Rural Stormwater Activity.

**Requirement in 2023/24 (incl. GST)**

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$9	31

**3.4 Te Kuiti Urban Stormwater TFR and Targeted Rate**

- (i) Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit in the Te Kuiti Urban Rating Area to partly fund the Te Kuiti Urban Stormwater Activity.
- (ii) Council set a Targeted Rate under section 16 of the Local Government (Rating) Act 2002 to partly fund the Te Kuiti Urban Stormwater Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kuiti Urban Rating Area excluding those in respect of which there is a current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

**Requirement in 2023/24 (incl. GST)**

Te Kuiti Urban Stormwater (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$181	328

Te Kuiti Urban Stormwater Targeted Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area (excluding rating units not using network)	0.03038	226

**3.5 Water Rates**

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 for Water Supply differentiated on the basis of supply area. The TFR is set per separately used or inhabited part of a rating unit within Te Kuiti and Rural Communities (Piopio, Maniaiti / Benneydale and Mokau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

**Requirement in 2023/24 (incl. GST)**

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$731	\$365	1,515
Piopio	\$1010	\$505	246
Maniaiti / Benneydale	\$1010	\$505	122
Mokau	\$1010	\$505	221

### 3.6 Extraordinary Water Supply Rate

Council set a TR under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water consumed over and above an annual consumption of 292m<sup>3</sup> per SUIP, differentiated by supply area that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw). The rates are:

#### **Requirement in 2023/24 (incl. GST)**

<b>Water Supply Rate (TR)</b>	<b>2023/24 Charge per cubic metre (including GST) above 292m<sup>3</sup></b>
Te Kuiti	\$3.31
Piopio	\$3.61
Maniaiti / Benneydale	\$3.98
Mokau	\$5.29
Total Revenue Requirement (\$000)	1,218

#### **Metered Water Supply Due Dates**

	<b>Reading Period</b>	<b>Due Date</b>
Te Kuiti Meat Companies	Monthly	15 <sup>th</sup> of the month following invoice
Te Kuiti, Piopio, Mokau and Maniaiti / Benneydale	Jul – Dec 2023 Jan – Jun 2024	15 <sup>th</sup> of the month following invoice

### 3.7 District Wide Benefit Rate for Water Supply

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the District to part fund the water supply activities.

#### **Requirement in 2023/24 (incl. GST)**

<b>District Wide Benefit Rate for Water Supply (TFR)</b>	<b>Charge per Rating Unit</b>	<b>Total Revenue Requirement (\$000)</b>
All Rating Units in the District	\$51	234

### 3.8 Wastewater Rates

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 to provide for the collection and disposal of sewage. The TFR is set per separately used or inhabited part of a rating unit within the District, with liability calculated based on whether the SUIP is connected to the wastewater network, or merely serviceable (Serviceable means the rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council).

#### **Requirement in 2023/24 (incl. GST)**

<b>Wastewater (TFR)</b>	<b>Charge</b>		<b>Total Revenue Requirement (\$000)</b>
	<b>Per connected SUIP</b>	<b>Per serviceable SUIP</b>	
Maniaiti / Benneydale	\$994	\$497	112
Te Waitere	\$994	\$497	19

Wastewater (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$994	\$497	1,693
Piopio	\$994	\$497	210

### 3.9 Wastewater rates for non-residential properties in Te Kuiti

For all non-residential properties in Te Kuiti, Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per SUIP set on a differential basis based on the following Categories:

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes, and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

#### Base Charge:

##### *Requirement in 2023/24 (incl. GST)*

Non- Residential Targeted Rate (TFR)	Base Charge per SUIP (up to 4 pans)	Per serviceable SUIP	Total Revenue Requirement (\$000)
Category 1	\$497	\$497	100
Category 2	\$497	\$497	17
Category 3	\$994	\$497	7

#### Pan Charge:

##### *Requirement in 2023/24 (incl. GST)*

Non- Residential Targeted Rate (TFR)	Number of pans	Charge per pan (Pan Charge)	Total Revenue Requirement (\$000)
Category 1	5th pan and over	\$696	71
Category 2	5-10 Pans	\$298	2
	Over 10 Pans	\$199	24
Category 3	5th pan and over	\$696	31

### 3.10 Trade Waste Contribution TFR

Council set a Trade Waste Contribution TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kuiti Wastewater Network.

**Requirement in 2023/24 (incl. GST)**

Trade Waste Contribution (TFR)	Charge Per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$39	182

**3.11 District Wide Benefit Rate for Wastewater**

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the District to part fund the wastewater activities.

**Requirement in 2023/24 (incl. GST)**

District Wide Benefit Rate for Wastewater (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
All rating units in the District	\$55	254

**3.12 District Rooding Rate**

Council set a District Rooding targeted rate under section 16 of the Local Government (Rating) Act 2002 as a rate per \$100 of capital value on every rating unit across the District to part fund the Roads and Footpaths Activity.

**Requirement in 2023/24 (incl. GST)**

District Rooding Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
All rating units in the District	0.11887	5,153

**3.13 Solid Waste Collection Rate**

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kuiti, Piopio, Mokau (including Awakino) communities and Waitomo Village and some surrounding parts).

**Requirement in 2023/24 (incl. GST)**

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$73	146
Waitomo	\$74	51
Piopio	\$158	37
Mokau	\$154	48

**3.14 Solid Waste Rate**

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit District wide to part fund the Solid Waste activity.

**Requirement in 2023/24 (incl. GST)**

Solid Waste (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the District	\$242	1,336

**3.15 District Development Rate**

Council set a District Development Targeted Rate under section 16 of the Local Government (Rating) Act 2002 as a rate per \$100 of capital value differentiated between Commercial and Industrial Businesses, and Rural Businesses, to part fund Economic Development and District Promotion.

**Requirement in 2023/24 (incl. GST)**

District Development Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Commercial and Industrial Businesses	0.04712	197
Rural Businesses	0.00762	197

**4 RATES PAYMENTS**

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing 1 July 2023 will be payable in four equal instalments with the due dates for payments being:

1st Instalment	31 August 2023 (Thursday)
2nd Instalment	30 November 2023 (Thursday)
3rd Instalment	29 February 2024 (Thursday)
4th instalment	31 May 2024 (Friday)

*Note:* The due date for payment of each instalment is the last working day in each of the months specified above. Rates payments will be allocated to the oldest debt first.

**5. RATES REMISSIONS AND POSTPONEMENTS**

Council has developed a rates remissions policy as per LGA (section 102 (3)(a), 108 and 109) and LGRA (Section 85). Remission categories include Properties Used Jointly as a Single Unit, Community Organisations and Clubs and Societies, Organisations Providing Care for the Elderly, New Residential Subdivisions, Māori Freehold Land, Cases of Land Affected by Natural Calamity, Cases of Financial Hardship, New Businesses, Penalties, and Rates and/or penalties following a Rating Sale or Abandoned Land Sale. The estimated value of these remissions is \$198,000 for the 2023/24 year.

Under the Policy on Remission of Rates, Council will not offer any permanent postponements of rates.

**6. PENALTIES**

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2023 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 1	5 September 2023
Instalment 2	5 December 2023
Instalment 3	5 March 2024
Instalment 4	5 June 2024

- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2023 that remains unpaid on 1 July 2023, to be added on 7 July 2023.
- (c) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.

Robertson/Goddard      Carried

The Chief Financial Officer left the meeting at 11.47am.

## **20. Adoption of 2023/2024 Fees and Charges**

Council considered a business paper presenting the draft 2023/24 Fees and Charges Schedule for adoption.

The Manager – Strategy and Policy expanded verbally on the business paper and answered members’ questions, noting that no submissions were received to the fees and charges.

The Leader – Communications and Engagement, General Manager – Strategy and Environment and Senior Strategy and Policy Advisor entered the meeting at 11.49am.

### **Resolution**

- 1 The business paper on Adoption of 2023/24 Fees and Charges be received.
- 2 Council adopt all fees and charges referred to in the Proposed Fees and Charges Schedule for 2023/24 (Doc A673209), to become effective on 1 July 2023.

Manawaiti/New      Carried

## **21. Review of Māori Representation - Consultation**

Council considered a business paper presenting for consideration and adoption for public consultation a Consultation Document and supporting information for the review of Māori representation.

The finalised printed Consultation Document was tabled to Members at the meeting.

The Manager – Strategy and Policy expanded verbally on the business paper and answered members’ questions.

Mayor Robertson advised that Te Raangai Whakakaupapa Koorero Committee will be meeting with Whare throughout the District during the consultation period.

### **Resolution**

- 1 The business paper on Review of Māori Representation - Consultation be received.
- 2 Council set aside the delegated authority made to Te Raangai Whakakaupapa Koorero Committee to make a recommendation to Council on Māori Wards (as provided in the Committee’s Terms of Reference), on the basis that the full Council will hear and deliberate on all submissions received.
- 3 Council adopt the process and timeline for consultation on Māori Wards as follows:



Key Milestone	Timeframe	Commentary
<b>Te Raangai Whakakaupapa Koorero Meeting</b> Consideration of the statutory procedure to establish Māori wards	23 February 2023	Complete
<b>Te Raangai Whakakaupapa Koorero Meeting</b> Consideration of the engagement regarding Māori representation	10 May 2023	Complete
<b>Council Meeting</b> Briefing on Māori Wards and consideration of Electoral System for the 2025 and 2028 Triennial elections.	30 May 2023	Complete Council resolved to maintain the status quo and continue with the First Past the Post electoral system for the next two local body elections, and any associated elections, in 2025 and 2028.
<b>Community Engagement (Pre-consultation)</b> Seeking feedback	February – June 2023	Complete With community, iwi, hapu, & Māori
<b>Council Workshop</b> Consideration of a draft Consultation Document for the review of Māori representation	13 June 2023	Complete Council workshopped a draft Consultation Document and Frequently Asked Questions paper.
<b>Council Meeting</b> Adoption of Consultation Document for the review of Māori representation.	27 June 2023	
<b>Community Consultation</b> Seeking feedback on the Consultation Document	10 July – 17 September 2023	With community, iwi, hapū, & Māori
<b>Drop-In Session</b>	17 August 2023	Te Kuiti (3pm – 6pm)
<b>Hearings</b>	4 and 5 October 2023	
<b>Council Meeting</b> Deliberation of Submissions	17 October 2023 (after A&R Committee)	
<b>Council Meeting</b> Council resolution in respect to the establishment of Māori wards and their make up	31 October 2023	LEA - S19Z - Must be completed by 23 November 2023.
<b>Public Notice</b>	Following above meeting	Last day for public notice is 30 November 2023 but must be made 14 days after resolution.
<b>Notify Public Entities</b>	Following above meeting	

- 4 Council adopt the process and timeline for consultation in the attached Communications and Engagement Plan (Doc A673112).
- 5 Council adopt the tabled Consultation Document subject to grammatical amendments.
- 6 The Chief Executive be authorised to make any final editorial amendments to the Consultation Document and any changes directed by the Council at this meeting.

Manawaiti/Robertson      Carried

<b>22. Motion to Exclude the Public</b>
---

Council considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by resolution to exclude the public and/or staff from the whole or any part of a meeting on one or more of the grounds contained within that Section.

**Resolution**

- The public be excluded from the following part of the proceedings of this meeting.
- The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
1. Chief Executive's Performance Review for 2022/2023 and Setting of Remuneration for 2023/2024	Section 7(2)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	Section 48(1)(a)(1)

- Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary

- This resolution is made in reliance on Section 48(1)(a) 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 relevant part of the proceedings of the meeting in the public.

Robertson/Osborne Carried

<b>23. Consideration of Public Excluded Items to be made public following Council's decision taking</b>
---

**Resolution**

Following Council's consideration and decision taking of the public excluded items of business, Council agreed:

- Chief Executive's Performance Review for 2022/2023 and Setting of Remuneration for 2023/2024**

Resolution 1 only be made public as follows:

**Resolution**

- The business paper on Chief Executive's Performance Review for 2022/2023 and Setting of Remuneration for 2023/2024 be received.*

Robertson/Goddard Carried

**24. Karakia Whakamutunga**

There being no further business the meeting closed at 12.23pm.

Dated this        day of July 2023

JOHN ROBERTSON  
**MAYOR**

Confidential Confidential

Confidential Confidential

Confidential

**Document No:** A678574

**Report To: Council**



**Meeting Date:** 25 July 2023

**Subject:** Mayor's Report – July 2023

Last month elected members set the budget for the Council's financial year now underway. Rates were increased by 5.84% to cover expenditure, below the rate of inflation of 7.2%.

In the Waikato Region, we delivered the second lowest rate increase of all local councils. Hamilton City had the lowest at 4.9%. However, this Council has taken the unusual step of running an operating deficit to achieve this.

My estimate is that over the past four years, Waitomo has kept its rate increases at the lowest level of all Council's in New Zealand.

Rates affordability has been at the forefront of our minds.

Council is now working on its expenditure forecasts for the next ten years. With inflation still running at relatively high levels, and with the challenges facing our roading and stormwater infrastructure, we need to think innovatively about where we can achieve savings.

By far our largest category of expenditure is our roading network. Parts of this 1,014 kilometre network of sealed and metaled roads are under pressure in terms of resilience to major weather events. We are still attending to damage from Cyclone Dovi dating back to February 2022.

Ratepayers and NZTA fund these works. For normal maintenance and capital expenditure, NZTA supports 75% of the costs, a percentage that climbs to as much as 95% for some storm damage. Waitomo receives the highest rate of subsidy available from NZTA for good reason. Firstly, our network is critical to support the state highway network through our district when the State Highways fail. We provide bypass support. Secondly, our rural roads go through challenging terrain, more challenging than much of New Zealand.

As we look ahead, we should take a moment to consider whether any parts of our network should be reconfigured.

Asset management plans are being refined to consider new factors such as more severe storms and more concentrated rainfall events. Incorporating expected effects of climate change is becoming standard practice, adopted in modelling undertaken by officers with advice from regional and national agencies.

But what I do not see in our current practice yet is a Council "road by road" review of whether some reconfiguration should occur.

This might involve replacing a bridge with a pipe. It might involve considering whether the end of a local road to a single farm might be better handed over to a farmer or resident. It might involve considering whether two roads linking through to other roads be reconfigured to maintain just one to reduce overall maintenance cost.

For instance, Council maintains two through roads linking State Highway 30 to State Highway 4 – Kopaki and Pukerimu. Both are difficult and expensive to maintain. Under such circumstances, should there be just one through road, Kopaki, with Pukerimu maintaining its connection to State Highway 4 to service households on the river flats, but not continuing out to Kopaki Road?

I raise this example to lay the groundwork for discussion. As costs rise and climate change impacts our roading network, we should consider how and if we change our approach.

A handwritten signature in blue ink, appearing to read "John Robertson".

JOHN ROBERTSON, QSO

**MAYOR**

**Document No:** A674634

**Report To: Council**



**Meeting Date:** 25 July 2023

**Subject:** **Adoption of Statement of Intent 2023/2024 for Inframax Construction Limited**

**Type:** Decision Required

### Purpose of Report

- 1.1 The purpose of this business paper is to present and adopt the Statement of Intent (SoI) for Inframax Construction Limited (ICL).

### Background

- 2.1 Council received the draft SoI from ICL within the statutory deadline of the 1 March. The draft SoI was presented to Council on 28 March 2023.
- 2.2 Council resolved the draft SoI be received and that no changes were suggested to the draft Statement of Intent for the year ending 30 June 2024.
- 2.3 Section 64 of LGA 2002 also requires the board of all CCOs to deliver a completed SoI to the shareholders before the commencement of the financial year to which it relates.
- 2.4 The Local Government Act 2002 requires that:
- "Each shareholding local authority must publish the adopted statement of intent on an Internet site maintained by or on behalf of the local authority within 1 month of adopting it, and must maintain the statement on that site for a period of no less than 7 years."*
- 2.5 Enclosed separately and forming part of this business paper is a copy of the final ICL Statement of Intent for the year ended 30 June 2024.

### Commentary

- 3.1 ICL Board have adopted and delivered a SoI that is consistent with the draft SoI presented to Council on the 28 March 2023. The final SoI was delivered, as required, prior to 1 July 2023.
- 3.2 There has been one minor change to the non-financial measures in the final SoI. Point 7.2 - ACC Weekly compensation days has been expanded into two measures – one for new injuries (zero) and one for prior years injuries (100).

### Considerations

- 4.1 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**
- 4.2 The decision to adopt the SoI 2023/24 as presented will be consistent with Council's understanding of the future plans of ICL and its objectives for the CCO.

4.3 **SIGNIFICANCE AND COMMUNITY VIEWS**

- 4.4 The SoI 2023/24 is aligned to ICL's constitution and plans and forecasts discussed with the Council previously and is generally aligned with the expectations of Council from its shareholding. Therefore the decision is not considered to require public engagement as per Council's Significance and Engagement Policy.

<b>Suggested Resolutions</b>
------------------------------

- 1 The business paper on Adoption of Statement of Intent 2023/2024 for Inframax Construction Limited be received.
- 2 Council adopt the Statement of Intent for year ended 30 June 2024 for Inframax Construction Limited.
- 3 That the Statement of Intent for Inframax Construction Limited be published on Council's website.



TINA HITCHEN  
**CHIEF FINANCIAL OFFICER**

18 July 2023

Attachment: Statement of Intent – Inframax Construction Limited (A678608)

**Inframax Construction Limited**  
**STATEMENT OF INTENT**  
**FOR THE YEAR ENDING 30 JUNE 2024**

**1.0 INTRODUCTION**

**1.1** Inframax Construction Limited is –

- a limited liability company pursuant to the Companies Act 1993.
- a Council Controlled Organisation pursuant to Section 6 of the Local Government Act 2002.

**1.2** This Statement of Intent is prepared to meet the requirements of Section 64 and Schedule 8 of the Local Government Act 2002.

**1.3** It outlines the activities and intentions of Inframax Construction Limited and the objectives to which those activities will contribute. Performance targets and measures are specified, along with the Company's policies relating to governance and other matters.

**1.4** The Statement of Intent is reviewed annually by the Company following consultation with Waitomo District Council.

**2.0 NATURE AND SCOPE OF ACTIVITIES**

**2.1** The core business of the Company will be roading maintenance and construction, quarrying and crushing of aggregates and maintenance and construction of utilities and infrastructure assets.

**2.2** The Company will compete for infrastructure contracts in the central western North Island Districts and in other areas where it is identified that such contracts will yield an appropriate rate of return or where the Company believes that there are sound commercial reasons for doing so.

**2.3** The Company may expand into other ventures and/or activities that are consistent with the Company's objectives and the provisions of the Local Government Act 2002.

**3.0 OBJECTIVES**

The principal objective of Inframax Construction Limited is to operate as a successful business and to contribute to the wellbeing of the communities in which it operates.

In pursuing the principal objective, the Company and Directors shall:

- Maximise the long-term viability and profitability consistent with the Shareholder's objectives for ownership and value creation.
- Seek and develop profitable business opportunities that make best use of the people, technical and financial resources of the Company.
- Continue to review the available options for the share ownership of the Company, to be able to provide informed advice to the Shareholder as to the most efficient arrangements to enhance both profitability and Shareholder value.



- Ensure assets and liabilities are prudently managed consistent with the nature of a contracting business.
- Ensure transparent and informed relationships are maintained with the shareholder within the spirit of 'no surprises'.
- Act as a good employer by:
  - Providing a work environment that recruits, fosters and maintains safe, competent, motivated, committed and productive employees
  - Recognising and rewarding excellent performance of any staff.
- Act in an environmentally and socially responsible manner and implement sustainable business practices.

#### **4.0 CORPORATE GOVERNANCE**

Pursuant to Section 57 of the Local Government Act 2002, the Board of Directors is appointed by the shareholder to govern and direct the activities of the Company.

All Directors are required to comply with a formal Code of Conduct, which is based on the Institute of Directors in New Zealand's Code of Practice for Directors.

##### **(a) Role of the Board of Directors**

The Directors' role is defined in Section 58 of the Local Government Act 2002. This section states that all decisions relating to the operation of the CCO shall be made pursuant to the authority of the directorate of the Organisation and its Statement of Intent. The Board consults with the Company's shareholder in preparing and reviewing the Statement of Intent.

The Board meets on a regular basis and is responsible for the proper direction and control of the Company's activities. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and reporting to the shareholder.

The Board accepts that it is responsible for the overall control system operating within the Company but recognises that no cost-effective internal control system will permanently preclude all errors or irregularities. The control systems reflect the specific risks associated with the business of the Company.

To achieve this governance the Board will:

- Conduct regular briefings with the designated shareholder representatives to discuss emerging risk and opportunities of the business, the general forecast performance expectations and to learn of relevant changes in council policies, expectations and risk appetite.
- Act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of the company.
- Act in accordance with the Constitution and Statement of Intent.
- Ensure compliance with applicable legislation, regulation, codes and accounting standards.
- Structure itself to utilise the expertise of Directors to add value.

- Monitor the effectiveness of overall governance and make changes as needed.
- Monitor and manage potential conflicts of interest of management, board members and shareholder.
- Appoint and monitor the performance and remuneration of the Chief Executive Officer and oversee succession planning.
- Ensure the Company's financial management is consistent with good business practice.
- Decide on necessary actions to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensure such actions are taken.
- Ensure the Company's goals are clearly established, and that strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from management).
- In the spirit of 'no surprises', keep the shareholder informed on significant events and issues, including those sensitive to publicity that may arise from Council being a political organisation.
- Promote a culture which requires all employees to adhere to high levels of ethical behaviour.
- Ensure the Company has appropriate risk management/regulatory compliance policies in place and that these are monitored on a regular basis.

**(b) The Role of the Shareholder**

The Board aims to ensure that the shareholder is informed in a timely manner of all major developments affecting the Company's state of affairs. The shareholder is consulted on the review of the Company's Statement of Intent and is responsible for the appointment of Directors. Information is communicated to the shareholder in the Annual Report, the Half-Annual Report and special meetings where required.

The shareholder is expected to:

- Deal with issues raised by the Company in a prompt and expedient fashion.
- Maintain a high level of communication with the Company on relevant matters.
- Ensure transparent and collaborative relationships are maintained with the Company.

## **5.0 PERFORMANCE INDICATORS**

In its half-year and annual report, the Company will record its performance relating to its goals and objectives.

## **6.0 PERFORMANCE MEASURES AND TARGETS**

The Company will endeavour to exceed the targets of the Projected Business Plan.

### **6.1 Ratio of Shareholder's Funds to Total Assets**

The Ratio of Shareholder's Funds to Total Assets shall not be less than that set out in this Statement of Intent.

### **6.2 Current Ratio**

The Current Ratio measures solvency. The Company will maintain a positive Current Ratio. For the purposes of this measure, "Positive" means equal to or greater than 100%.

### **6.3 EBITDA**

Earnings before interest, tax, depreciation and amortisation gives an indication on the underlying operational profitability of the business.

### **6.4 Revenue**

Measuring revenue growth gives a good indication of the rate at which the company has expanded the business.

### **6.5 Bank Covenants**

The Company will meet all bank covenants.

	30 June 24	30 June 25	30 June 26
<b>6.1 Equity Ratio</b> Shareholders Funds expressed as a % of Total Assets	50%	51%	51%
<b>6.2 Current Ratio</b> Current Assets expressed as a % of Current Liabilities	Positive	Positive	Positive
<b>6.3 EBITDA</b> Earnings Before Interest, Tax, Depreciation and Amortisation	\$3.1m	\$3.2m	\$3.3m
<b>6.4 Revenue</b> Revenue Targets	\$44m	\$45m	\$46m
<b>6.5 Bank Covenants</b> As agreed with the Bank from time to time	Met	Met	Met

## 7.0 NON-FINANCIAL PERFORMANCE MEASURES

### 7.1 Lost Time Injury Frequency Rate

The lost time injury frequency rate will measure the number of lost time injuries for year ending 30<sup>th</sup> June 2024 relative to the number of hours worked in the same period.

$$\frac{\text{Total lost time injuries in 2024}}{\text{Total hours worked in 2024}} \times 1,000,000$$

Lost time injuries are occurrences that result in a fatality, permanent disability or time lost from work of one day/shift or more.

### 7.2 ACC Weekly Compensation Days

ACC weekly compensation days measures and gives an indication of workplace safety. It is also a measure of wellness in the workplace and indicates how a company cares for and rehabilitates employees injured at work. Measure is the number of compensation days incurred in the ACC calendar year.

### 7.3 ISO 9001 Accreditation

ISO 9001 is a quality accreditation standard verifying that the company has systems and processes in place to operate to industry best practices. It confirms that issues within the company are identified, recorded and information used to generate continual business improvement.

### 7.4 ISO 45001 Accreditation

ISO 45001 is a global standard for Occupational Health and Safety (OS&S) Management Systems that provides a practical solution to improve the safety and health of both employees and other personnel by preventing work-related injury and ill health, as well as by proactively improving the Company's OH&S performance.

### 7.5 Environmental Consent Compliance

There are three measures of environment consent compliance - full, partial and non-compliance. Full compliance of consents held by the Company indicates that all conditions of consents are met in full and the organisation is acting in an environmentally responsible manner.

### 7.6 Number of Broader Outcome Initiatives

The Local Government (Community Well-being) Amendment Act 2019 provides for local authorities to play a broad role in promoting social, economic, environmental and cultural well-being of their communities. Broader Outcome Initiatives are initiatives the Company deploys that contribute to the wider social, economic, cultural and environmental well-being of the communities for which it operates in.

	30 June 24	30 June 25	30 June 26
<b>7.1 LTI Frequency Rate</b>	Zero	Zero	Zero
<b>7.2 ACC Weekly Compensation Days</b>	Relating to: New injuries – zero  Relating to: Prior years' injuries - 100	Relating to: New injuries – zero  Relating to: Prior years' injuries - 100	Relating to: New injuries – zero  Relating to: Prior years' injuries - 100
<b>7.3 ISO 9001 Accreditation</b>	Standard Achieved	Standard Achieved	Standard Achieved
<b>7.4 ISO 45001 Accreditation</b>	Standard Achieved	Standard Achieved	Standard Achieved
<b>7.5 Environmental Consent Compliance</b>	Full Compliance	Full Compliance	Full Compliance
<b>7.6 Number of Broader Outcome Initiatives</b>	15 (Waitomo District 9, Other 6)	15 (Waitomo District 9, Other 6)	15 (Waitomo District 9, Other 6)

## **8.0 DIVIDEND POLICY**

- 8.1** Subject to the Directors being satisfied as to the solvency of the Company, the meeting of its bank covenants and the integrity of its asset replacement and investment programme, the Company is committed to the provision of annual distributions to the Shareholder.
- 8.2** A dividend payment is not anticipated in the 2023/2024 financial year.
- 8.3** Should a distribution to the Shareholder occur, it will be made, after consultation with the Shareholder, by subvention payment, or other mutually agreed methods after taking account of all tax considerations.
- 8.4** The Company may declare dividends as approved by the Directors.
- 8.5** The Directors may from time to time pay interim dividends.

## **9.0 ACCOUNTING POLICIES**

- 9.1** The Company will maintain accounting records in accordance with the Companies Act 1993 and the Financial Reporting Act 2013.

Significant accounting policies adopted by the Company in its Annual Report are –

- Compliance with New Zealand generally accepted accounting practice (NZ GAAP).
- Preparation on a historical cost basis, apart from Land and Buildings and Heavy Quarry Equipment which are stated at their fair value.
- Preparation on a going concern basis.
- Financial assets, other than those at fair value, are assessed for impairment at each balance date.
- Revenue and profit are primarily recognised based on value earned.
- Trade and other receivables are stated at their expected realisable value after providing for impairment.
- Aggregate stocks are valued using standard costs based on the estimated average cost of production.
- Property, plant and equipment other than Land and Buildings and Heavy Quarry Equipment (which are measured at fair value), are carried at cost less accumulated depreciation and impairment losses.
- Trade and Other Payable are recognised when the Company becomes obliged to make future payments.

## **10.0 INFORMATION TO BE PROVIDED TO SHAREHOLDERS**

- 10.1** Annual Report and half-yearly operational report will be submitted in accordance with the Local Government Act 2002.
- 10.2** The half-yearly report will include details as are necessary to enable an informed assessment of the Company's performance during the reported period. This report will be accompanied by the Chairman's review of the period. The half-yearly report will be made available to the Shareholder no later than 1 March in every year.
- 10.3** The Annual Report will include all items required by the Companies Act 1993, the Financial Reporting Act 2013 and such other information as the Directors deem necessary for the Shareholder to measure performance of the Company against performance targets as agreed in the Statement of Intent.

## **11.0 SIGNIFICANT ACQUISITIONS**

- 11.1** Procedure to be followed as per Schedule 8, Clause 9(1)(i) of the Local Government Act 2002 regarding share transactions will be at the discretion of the Directors unless the acquisition qualifies as a major transaction as defined in 10.3.
- 11.2** The Board will consult with the Shareholder before making any significant acquisition including investment in another entity.
- 11.3** Acquisitions involving more than 10% of the total assets of the company will constitute a "major transaction" under Section 129 of the Companies Act 1993 and will require a special resolution of the Shareholder.

## **12.0 ESTIMATED COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT**

- 12.1** Net Assets in the Annual Report as at 30 June 2022 stood at \$11.94m.
- 12.2** An independent valuation of the shares in the company was undertaken in September 2022. The valuation method adopted for the valuation was an earnings capitalisation valuation (as opposed to an asset based valuation method). The valuation, using the earnings based approach, assessed that the fair value of 100% of the shares in the Company at 30 June 2022 was between \$5.1m and \$7.8m, with a midpoint of \$6.4m.
- 12.3** The Directors believe that as the business continues to deploy and realise value from business improvement initiatives, the company's operating performance and, in turn, the earnings based valuation of the shares will continue to grow.

## **13.0 CAPITAL SUBSCRIPTION**

- 13.1** No capital will be required from the Shareholder.
- 13.2** No capital injections from the Shareholder are expected in the current period.



**Document No:** A674604

**Report To: Council**



**Meeting Date:** 25 July 2023

**Subject:** **Civic Financial Services Ltd – Annual Report 2022 and Statement of Intent to 31 December 2023**

**Type:** Information

## Purpose of Report

- 1.1 The purpose of this business paper is to present the Annual Report 2022 and the Statement of Intent to 31 December 2023 (SoI 2023) for Civic Financial Services Ltd (CFSL).

## Background

- 2.1 CFSL provides superannuation services for the local government sector through the SuperEasy KiwiSaver Superannuation Scheme and the Local Government Superannuation Scheme. CFSL also provide administration services to their client boards (namely Local Authority Protection Programme Disaster Fund (LAPP), Riskpool, Civic Liability Pool and Civic Property Pool).
- 2.2 WDC holds 16,940 shares (0.15%) in CFSL.
- 2.3 Enclosed separately and forming part of this business paper is a copy of the CFSL Annual Report 2022 and the Statement of Intent for the year ended 31 December 2023.

## Commentary

- 3.1 **Annual Report 2022**
- 3.2 The surplus before taxation of \$142,232 was below the forecasted surplus of \$243,512 as set out in the Statement of Intent for the year ended 31 December 2022.
- 3.3 The surplus before taxation was \$360,000 less than the prior year primarily due to receiving lower than anticipated administration fees from the superannuation schemes as a result of investment market losses. Expenditure was also more than the 2021 year for audit fees, compliance costs and employee remuneration.
- 3.4 Total comprehensive deficit after tax was \$1.023 million, this was due to the recognition of taxation expense of \$1.16 million as the deferred tax asset of \$2.21 million was reduced to \$1.04 million. The deferred tax asset was reduced as it was no longer probable that sufficient taxable profits would be available to allow all or part of the asset to be recovered.
- 3.5 Shareholders equity totalled \$10,159,019 at 31 December 2022, a decrease of \$1.02 million being the total comprehensive deficit after tax.
- 3.6 The significant assets on the balance sheet include term deposits of \$4.5 million, a loan receivable of \$3.8 million from Riskpool and the deferred tax asset of \$1.04 million.
- 3.7 Total liabilities were \$0.4 million were recognised, mostly related to sundry creditors.

- 3.8 The Financial Statements have been prepared on a going concern basis and the Audit Report contains the Auditor's Opinion that they present fairly the financial position and performance of the company and comply with NZ generally accepted accounting standards.
- 3.9 **Statement of Intent for the year ended 31 December 2023**
- 3.10 There is no planned change to the performance targets and measures that remain as:
- Provide superannuation services to at least 90% of local authorities,
  - Continue to be retained as administration manager for LAPP, Riskpool, Civic Liability Pool and Civic Property Pool.
- 3.11 Financial projections are provided for the 2023-2025 years; administration income is expected to be \$2.1 million for 2023 and 2024, with a marginal decrease to \$2.0 million in 2025. Revenue is mostly received from fees for providing superannuation administration for the local government superannuation schemes detailed in 2.1.
- 3.12 The projections include investment income of \$0.4 million annually.
- 3.13 Operational expenditure is forecast at \$2.4 million in 2023 and 2024, decreasing to \$2.3 million in 2025.
- 3.14 The forecast surplus before tax remains at \$0.1 million over the 3 years.
- 3.15 For the following three years (2023 to 2025), no dividends will be paid to shareholder councils. The reason is to support and enhance the primary source of income being providing administration services to the superannuation schemes. The funds will instead be used to reduce the management fees for the scheme's members, reducing fees from 0.37% to 0.35% per annum from 1 April 2023.

<h2>Suggested Resolutions</h2>
--------------------------------

- 1 The business paper on the Civic Financial Services Ltd Annual Report 2022 and Statement of Intent to 31 December 2023 be received.
- 2 The Civic Financial Services Ltd Annual Report 2022 and Statement of Intent for Civic Financial Services Ltd for the year ended 31 December 2023 be received.



TINA HITCHEN  
**CHIEF FINANCIAL OFFICER**

18 July 2023

Attachments:       1   Civic Financial Services Ltd – Annual Report 2022 (A678620)  
                           2   Civic Financial Services Limited – Statement of Intent 2023 (A674605)



# ANNUAL REPORT 2022

<b>DIRECTORS' REPORT</b>	<b>1</b>
<b>DIRECTORY</b>	<b>5</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>6</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>	<b>10</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>	<b>11</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>12</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>13</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>14</b>
<b>SHAREHOLDERS' DETAILS</b>	<b>BACK COVER</b>



## ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

Your Directors have pleasure in submitting the 62nd Annual Report of the affairs of the Company (formerly New Zealand Local Government Insurance Corporation Ltd trading as Civic Assurance) for the year ended 31 December 2022, which is to be presented at the Annual General Meeting of Members in June 2023.

Directors operate under a Charter which outlines the specific role and responsibilities of the Board. Each Director must be assessed as being fit and proper in accordance with Civic's Fit and Proper Policy and at least two Directors must be independent, being neither a member or an employee of a local authority. The Directors are all subject to Civic's Code of Ethics. The Board has a Risk and Audit Committee which is governed by its own Charter and is responsible for maintaining the Board's risk management processes and policies, including ensuring compliance with regulatory and legal standards.

### 1. PERFORMANCE

Civic's before-tax profit in 2022 was \$142,232.

This compares unfavourably to the forecasted before-tax surplus of \$243,512 as set out in the 2022 Statement of Intent.

This decreased profit is primarily due to receiving lower than anticipated administration fees from the superannuation schemes as a result of investment market losses over the year.

### 2. OPERATIONS

#### *Administration Services*

Fees in 2022 from providing services to LAPP, Riskpool, the SuperEasy Superannuation Scheme and the SuperEasy KiwiSaver Superannuation Scheme were \$2,904,682 (2021: \$3,100,598).

#### *Investment Revenue*

Income from investments was \$266,148 (2021: \$116,935).

#### *Sponsorship and Support for the Sector*

Civic continues as a sponsor of Taituarā – Local Government Professionals Aotearoa (previously known as SOLGM – Society of Local Government Managers) events both at a regional and national level.

### 3. ASSOCIATED ENTITIES

#### *Local Government Superannuation Trustee Limited*

Local Government Superannuation Trustee Limited (LGST) is a 100% subsidiary of Civic and is the trustee to the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes.

Both Schemes are administered by Civic and are registered with the Financial Markets Authority. Director appointments to LGST are made by Local Government New Zealand (two), Civic (one), Council of Trade Unions (one), Taituarā (one) and one, who must be a Licensed Independent Trustee, by the LGST Board.

The Schemes feature low member charges and simple administration for councils. The Schemes offer an 'Automatic Fund', in which each member's risk exposure is gradually and automatically switched from growth assets to income assets as the member gets older. The SuperEasy website is [www.supereasy.co.nz](http://www.supereasy.co.nz).

The Schemes have a combined membership of over 11,000, with funds under management as at December 2022 of \$496 million (December 2021 \$530 million). Of the councils that have a preferred provider for KiwiSaver, 69 out of 73 (94%) have appointed Civic. The investments of the funds are managed by Harbour Asset Management Limited and ANZ New Zealand Investments Limited.

#### *LAPP Disaster Fund*

LAPP is a charitable trust that was set up by LGNZ and Civic in 1993 to assist with the reinstatement of lost or damaged local government underground infrastructure. LAPP's membership is 23. LAPP's website is: [www.lappfund.co.nz](http://www.lappfund.co.nz). Civic is the administration and fund manager for LAPP.

LAPP is currently managing Marlborough District Council's claim that resulted from the severe flood damage that hit the Marlborough region in July 2021. At the time of writing it is unknown how much this claim will be, but it will be well within LAPP's ability to pay, providing the benefit of full cover for all of the flood damaged assets registered with LAPP.

## DIRECTORS' REPORT

### *Riskpool / Civic Liability Pool (CLP)*

Riskpool provides public liability and professional indemnity cover for councils and has done so since 1997. Riskpool is a mutual liability fund governed by a trust deed and can call on its member councils for financial support. CLP is similar to Riskpool but has no facility for calls. With reducing council support for Riskpool, it became increasingly difficult to offer competitively priced cover and risk management services. Consequently Riskpool/CLP decided to cease providing cover from 1 July 2017 and is now in run-off mode. Riskpool members have been advised that a final call will be made when Riskpool is wound up.

Local Government Mutual Funds Trustee Limited (LGMFT) is the trustee of Riskpool and CLP. Civic is the Fund Manager and Scheme Manager for Riskpool and Administration Manager for CLP.

Civic has entered into arm's length, secured loan facility agreements on commercial terms with LGMFT to enable Riskpool to manage its cashflows.

#### 4. DIRECTORS

As at 31 December 2022 there were five directors: John Melville, Jo Miller, Nicola Mills, Basil Morrison, and Craig Stevenson.

#### *Director attendances at Board meetings held in 2022:*

John Melville	6 / 6
Jo Miller	5 / 6
Nicola Mills	5 / 6
Basil Morrison	5 / 6
Craig Stevenson	6 / 6

### *Section 139 of the Companies Act 1993*

All Civic directors are directors of LGMFT except Basil Morrison who resigned from LGMFT in March 2019 to ensure that one Civic director was independent of LGMFT.

There are no other notices required under section 139 of the Companies Act 1993 except for Directors' remuneration. Changes to the Directors' fee pool are approved by shareholders at an AGM. The Board determines the allocation per Director based on the duties of the individual Director. The Director fees for subsidiary companies are set by the Civic Board.

For the year ended 31 December 2022, Directors' remuneration was:

John Melville	\$32,319
Jo Miller	\$16,159
Nicola Mills	\$19,968
Basil Morrison	\$16,159
Craig Stevenson	\$16,159
	<b>\$100,764</b>

In addition, the following Directors received fees in relation to their directorships of Riskpool or LGST:

John Melville	(Riskpool)	\$16,620
Jo Miller	(Riskpool & LGST)	\$11,260
Nicola Mills	(Riskpool)	\$8,010
Basil Morrison	(LGST)	\$13,713
Craig Stevenson	(Riskpool)	\$8,310
		<b>\$57,913</b>

**DIRECTORS' REPORT****Interests Register**

Directors' interests are tabled at the beginning of each Board meeting. Directorship and other disclosures as at 31 December 2022 were:

John Melville	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; a party to an agreement for finance with the LGMFT.
Jo Miller	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; a party to an agreement for finance the LGMFT; Member of SuperEasy KiwiSaver Superannuation Scheme; Chief Executive of Hutt City Council; Vice President of Taituarā Executive Council; Board Member Hutt Valley Chamber of Commerce.
Nicola Mills	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd, a party to agreement for finance with LGMFT, Board Member of Sport Waitakere; General Manager Financial & Business Performance at Auckland Council.
Basil Morrison	Chair of Local Government Superannuation Trustee Ltd; Basil J Morrison & Associates Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Trustee of Civic Property Pool; Trustee of the Martha Trust; Trustee of Hauraki Railtrail Charitable Trust; Waitangi Tribunal Member; Independent Hearings Commissioner for Auckland Council; Honorary Consul for Uganda; Thames-Coromandel District Council Hearings Panel; Waikato Regional Council Hearings Commissioner; NZ Freshwater Commissioner; Accredited Commissioner – RMA.
Craig Stevenson	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; a party to an agreement for finance with the LGMFT; Member of Local Government Superannuation Scheme and SuperEasy KiwiSaver Superannuation Scheme; Trustee of Ratanui Trust.

The Company provides Directors and officers with, and pays the premiums for, Directors' and Officers' liability insurance to the full extent allowed for in accordance with the requirements of the Companies Act 1993. The renewal of the Company's Directors' and Officers' liability insurance was entered in the Interests Register pursuant to sections 162 and 163 of the Companies Act 1993. The insurance does not cover liabilities arising from criminal actions or deliberate and reckless acts or omissions by the Directors. The cover includes indemnity of costs and expenses incurred in defending an action that falls within the scope of the indemnity.

**Use of Information**

Directors, individually or collectively, may obtain independent professional advice relating to any matters concerning the Company's business or in relation to the discharge of the Director's responsibilities. Subject to approval of the Chair the Company will reimburse the Director(s) some or all of the reasonable costs of the advice. During the reporting period, no Director has sought leave to obtain such advice.

**Loans to Directors**

No loans or advances have been made to Directors, their spouses or dependants, or to related parties during the year.

**5. EMPLOYEE REMUNERATION**

Detailed below is the number of employees who received remuneration of \$100,000 or more in their capacity as employees during the year ended 31 December 2022.

Remuneration	Number of Employees
\$100,000 – \$110,000	1
\$110,000 – \$120,000	1
\$150,000 – \$160,000	1
\$230,000 – \$240,000	1

The above remuneration includes Company contributions to employees' superannuation (KiwiSaver and other), medical insurances and discretionary bonus payments.

## DIRECTORS' REPORT

### 6. AUDIT AND RISK MANAGEMENT

Pursuant to Section 15 of the Public Audit Act 2001 the Company's auditor is the Auditor General who has appointed Hamish Anton using the staff and resources of Deloitte Limited to carry out the audit on his behalf.

The Risk and Audit Committee comprises the full Board. Nicola Mills was appointed Chair of this committee on 17 June 2022. The Committee met five times in 2022: the Auditor attended two of those meetings and at one of those meetings proceedings took place without management present.

### 7. DONATIONS

No donations have been made during the year by any Company in the Group (2021: \$0).

### 8. STAFF

The Directors sincerely thank the staff - Charlie Howe, Glenn Watkin, Ian Brown, Sylvia Jackson, Ivy Liang, Lisa Lummis, Jen McGahan, Chathuri Mendis, Tim Sole and Sue Tong - for their work and support during the year.



John Melville **Chair**  
March 2023



***DIRECTORS***

John Melville (Chair)  
Johanna Miller  
Nicola Mills  
Basil Morrison CNZM JP  
Craig Stevenson

***EXECUTIVE OFFICERS***

**Chief Executive** : Charlie Howe  
**Chief Financial Officer** : Glenn Watkin

COMPANY REGISTRATION NO: 13271

***AUDITORS***

The Auditor General, who has appointed Hamish Anton, Deloitte Limited to carry out the audit on his behalf

***BANKERS***

ANZ Banking Group (New Zealand) Limited

***LEGAL ADVISERS***

Dentons Kensington Swan

***REGISTERED OFFICE***

Level 7, Civic Chambers, 116 Lambton Quay, Wellington 6011

***POSTAL ADDRESS***

Civic Financial Services Ltd, PO Box 5521, Wellington 6140

***OTHER CONTACT DETAILS***

Telephone: (04) 978 1250

Email: [admin@civicfs.co.nz](mailto:admin@civicfs.co.nz)

Website: [www.civicfs.co.nz](http://www.civicfs.co.nz)

The Company is a participant in the Insurance & Financial Services Ombudsman Scheme (Inc)  
Participant Number 2000427



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF CIVIC FINANCIAL SERVICES LIMITED'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Civic Financial Services Limited and its subsidiaries (the 'Group'). The Auditor-General has appointed me, Hamish Anton, using the staff and resources of Deloitte Limited, to carry out the audit of the consolidated financial statements of the Group on his behalf.

#### OPINION

We have audited the consolidated financial statements of the Group on pages 10 to 32, that comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include accounting policies and other explanatory information.

In our opinion, the consolidated financial statements of the Group:

- present fairly, in all material respects:
  - its financial position as at 31 December 2022; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR).

Our audit was completed on 17 March 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the consolidated financial statements, we comment on other information and we explain our independence.

#### BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible on behalf of the Group for preparing consolidated financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITOR'S REPORT

In preparing the consolidated financial statements, the Board of Directors is responsible, on behalf of the Group, for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Companies Act.

### RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these consolidated financial statements.

We did not evaluate the security and controls over the electronic publication of the consolidated financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

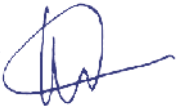
We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

**INDEPENDENT AUDITOR'S REPORT****INDEPENDENCE**

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as the auditor, we have no relationship with, or interests in, the Group.



**Hamish Anton**  
**Deloitte Limited**  
On behalf of the Auditor-General  
Wellington, New Zealand

# Statement of Accounts

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTE	2022 \$	2021 \$
<b>REVENUE</b>			
Administration Fees	17	2,904,682	3,100,598
Interest Income	4	266,148	116,935
Other Income		487	775
<b>Total Revenue</b>		<b>3,171,317</b>	<b>3,218,308</b>
<b>EXPENDITURE</b>			
Audit Fee	14		
Statutory Audit of the Financial Statements		52,367	41,580
Other Fees Paid to Auditors for Assurance Services		28,750	30,368
Other Fees Paid to Auditors for Entities Administered by Civic		72,049	62,116
Depreciation	7	20,101	18,169
Amortisation	7	68,859	12,047
Directors' Remuneration	3	100,764	100,901
Interest Expense		-	12,264
Other Expenses	6	1,702,942	1,617,381
Employee Remuneration	3	954,251	797,637
Superannuation Subsidies		29,001	23,677
<b>Total Expenditure</b>		<b>3,029,085</b>	<b>2,716,141</b>
<b>Surplus Before Taxation</b>		<b>142,232</b>	<b>502,167</b>
Taxation Expense	10	1,165,613	141,639
<b>TOTAL COMPREHENSIVE SURPLUS AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	15	<b>(1,023,381)</b>	<b>360,528</b>

This statement is to be read in conjunction with the notes on pages 14 to 32.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	NOTE	2022 \$	2021 \$
<b>SHAREHOLDERS' EQUITY</b>			
<b>Issued and Paid-Up Ordinary Shares</b>			
Ordinary Shares fully paid up	15	10,763,506	10,763,506
Retained Earnings	15	(604,487)	418,894
<b>TOTAL EQUITY</b>		<b>10,159,019</b>	<b>11,182,400</b>
Represented By:			
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents		522,056	335,363
Term Deposits		4,556,993	5,914,564
Accrued Interest Receivable		61,354	21,349
Sundry Debtors and Prepayments	12	494,001	649,448
Loan Receivable	13	3,799,963	2,408,002
<b>Total Current Assets</b>		<b>9,434,367</b>	<b>9,328,726</b>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	7	42,730	46,297
Intangible Assets (Software)	7	91,826	158,838
Deferred Tax Asset	10	1,043,193	2,208,806
<b>Total Non Current Assets</b>		<b>1,177,749</b>	<b>2,413,941</b>
<b>TOTAL ASSETS</b>		<b>10,612,116</b>	<b>11,742,667</b>
<b>CURRENT LIABILITIES</b>			
Sundry Creditors and Accrued Charges	12	325,568	412,593
Accrued Holiday Pay		87,863	88,752
CLP / Riskpool Admin Fee Reserve		39,666	52,530
<b>Total Current Liabilities</b>		<b>453,097</b>	<b>553,875</b>
<b>NON-CURRENT LIABILITIES</b>			
CLP / Riskpool Admin Fee Reserve		-	6,392
<b>Total Non Current Liabilities</b>		<b>-</b>	<b>6,392</b>
<b>TOTAL LIABILITIES</b>		<b>453,097</b>	<b>560,267</b>
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		<b>10,159,019</b>	<b>11,182,400</b>

For and on behalf of the Directors



JOHN MELVILLE Chair 17 March 2023



BASIL MORRISON Director 17 March 2023

This statement is to be read in conjunction with the notes on pages 14 to 32.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTE	2022 \$	2021 \$
<b>OPENING EQUITY</b>		11,182,400	10,821,872
Total Comprehensive Surplus Net of Tax		(1,023,381)	360,528
Dividend Payment		-	-
Ordinary Shares issued during the year	15	-	-
<b>CLOSING EQUITY</b>		<b>10,159,019</b>	<b>11,182,400</b>

This statement is to be read in conjunction with the notes on pages 14 to 32.



**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTE	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Administration Fees Received		3,006,916	3,028,083
Other Income		487	775
		3,007,403	3,028,858
<b>Cash was applied to:</b>			
Payments to Suppliers and Employees		2,919,194	2,639,025
		2,919,194	2,639,025
<b>Net Cash Flow from Operating Activities</b>	<b>11</b>	<b>88,209</b>	<b>389,833</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Investment Income		74,063	45,648
Term Deposits		1,864,564	85,000
Loans Repaid from Related Parties		501,500	2,271,655
		2,440,127	2,402,303
<b>Cash was applied to:</b>			
Term Deposits		506,993	1,264,564
Purchase of Property, Plant and Equipment		18,637	35,738
Loans Issued to Related Parties		1,816,013	2,026,299
		2,341,643	3,326,601
<b>Net Cash Flow from / (used in) Investing Activities</b>		<b>98,484</b>	<b>(924, 298)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash was provided from:</b>			
Loan Interest Received		-	330
		-	330
<b>Cash was applied to:</b>			
Interest Paid		-	12,264
		-	12,264
<b>Net Cash Flow (used in) / from Financing Activities</b>		<b>-</b>	<b>(11,934)</b>
Net Increase / (Decrease) in Cash Held		186,693	(546,398)
Opening Cash Balance as at 1 January		335,363	881,761
<b>Closing Cash Balance as at 31 December</b>		<b>522,056</b>	<b>335,363</b>
<b>Being:</b>			
<b>Cash &amp; Cash Equivalents</b>		<b>522,056</b>	<b>335,363</b>

This statement is to be read in conjunction with the notes on pages 14 to 32.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 1 REPORTING ENTITY**

The reporting entity is Civic Financial Services Ltd (the "Company"). The Group comprises the Company and its subsidiaries listed in note 2 (b). The Group provides financial services principally for New Zealand local government.

**Statement of Compliance**

The Group is a Tier 2 Public Sector Public Benefit Entity and the financial statements have been prepared in accordance with and comply with Tier 2 Public Sector Public Benefit Entity (PBE) Standards.

**NOTE 2 STATEMENT OF ACCOUNTING POLICIES****General Accounting Policies**

The measurement and reporting of profits on a historical cost basis have been followed by the Group, except for specific policies as described below. The reporting currency is New Zealand dollars.

**Critical Judgements and Estimates in Applying the Accounting Policies**

In the application of the PBE Standards the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. These are based on historical experience and other various factors and are reviewed on an ongoing basis.

The Directors believe that, as at the date of these financial statements, there are no significant sources of estimation uncertainty that have not been disclosed in these notes. The most significant judgements, estimates and assumptions made in the preparation of these financial statements are in respect of the recognition of the deferred tax asset (Note 10).

**Particular Accounting Policies**

The following particular accounting policies which materially affect the measurement of surplus and financial position have been applied. Further particular accounting policies are contained in the relevant notes to the financial statements.

**(a) Consolidation of Subsidiaries**

The Group financial statements incorporate the financial statements of the Company and its subsidiaries. All inter-company transactions, balances and unrealised profits are eliminated on consolidation.

**(b) Investment in Subsidiaries**

At 31 December 2022 the Company had three wholly owned subsidiaries which are all incorporated in New Zealand. Two of these, Local Government Superannuation Trustee Limited and SuperEasy Limited with balance dates of 31 December and Local Government Mutual Funds Trustee Limited (LGMFTL) with its balance date of 30 June did not have any significant assets, liabilities, revenue or expenses during the years ended 31 December 2021 and 31 December 2022.

LGMFTL is the trustee of New Zealand Mutual Liability Riskpool ("Riskpool") and Civic Liability Pool ("CLP"). The Company provides administrative services to Riskpool and CLP.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 2 STATEMENT OF ACCOUNTING POLICIES** CONTINUED**(c) Administration Fees**

Administration fees are recognised at the agreed amounts based on time and expenses incurred. Administration fees collected during the year that will be utilised in future periods are held within the administration fee reserve on the Statement of Financial Position, until the point in time where administration services have been provided.

**(d) Employee Benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

**(e) Basis of Measuring Other Income and Expenses**

Income and expenses are accounted for on an accruals basis. All revenue is exchange revenue.

**(f) Changes in Accounting Policies**

There have been no material changes in the accounting policies during the year. All policies have been applied on a basis consistent with those used in the prior year.

**NOTE 3 KEY MANAGEMENT PERSONNEL**

The compensation of the Directors and executives, being the key management personnel of the Group, is set out below.

	2022	2021	2022	2021
	Number		\$	\$
<b>Short term employee benefits</b>				
Executive Management Personnel	4	4	569,107	506,726
Directors	5	5	100,764	100,901
			<b>669,871</b>	<b>607,627</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 4 FINANCIAL INSTRUMENTS***Accounting Policies:***i) Classification and Measurement**

*Financial instruments are transacted on a commercial basis to derive an interest yield / cost with the terms and conditions having due regard to the nature of the transaction and the risks involved. Financial instruments are recognised and accounted for on a settlement date basis.*

**Loans and Receivables**

*Other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate.*

**Bank and Cash Equivalents**

*Bank and cash equivalents are measured at amortised cost using the effective interest rate.*

**Financial Liabilities**

*Financial liabilities include Sundry Creditors, Accrued Charges and Subordinated Debt. Financial liabilities are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, liabilities are measured at amortised cost.*

**ii) Offsetting Financial Instruments**

*Financial assets and liabilities are not offset as there is no legally enforceable right to set-off.*

**iii) Asset Quality****Impairment of Financial Assets**

*Financial assets measured at amortised cost are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such condition exists, the asset's recoverable amount is estimated and provision is made for the difference between the carrying amount and the recoverable amount.*

*As at the date of these Financial Statements, no such evidence of impairment exists.*

**iv) Fair Value of Financial Instruments**

*Fair value measurements recognised in the Statement of Financial Position*

*Financial instruments are categorised into 3 levels:*

- *Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;*
- *Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and*
- *Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).*

**v) Derivatives**

*The Group do not use any derivative financial instruments.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(1) Income Relating to Financial Assets**

	2022 \$	2021 \$
<b>Loans</b>		
Interest Received – Loans	152,081	65,334
<b>Cash &amp; Cash Equivalents</b>		
Interest Received – Short Term Deposits	114,067	51,601
<b>Total Interest Income</b>	<b>266,148</b>	<b>116,935</b>

**(2) Financial Assets and Liabilities**

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their market value, which for these assets and liabilities is also considered to be fair value.

The Subordinated Debt is measured at amortised cost which is considered to be fair value.

All fixed interest investments were managed around a 90 day duration and carry a minimum Standard and Poors credit rating of "A" or equivalent.

Loans are secured against Riskpool's future contributions and repayable with six months notice (refer to Note 13).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(2) Financial Assets and Liabilities** continued*Carrying value of Financial Assets and Financial Liabilities*

	2022 \$	2021 \$
<b>Financial Asset: Loans and Receivables</b>		
Sundry Debtors	416,660	537,894
Loans	3,799,963	2,408,002
<b>Total Loans and Receivables</b>	<b>4,216,623</b>	<b>2,945,896</b>
<b>Financial Asset: Amortised Cost</b>		
Cash & Cash Equivalents	522,056	335,363
Term Deposits	4,556,993	5,914,564
<b>Total Financial Assets: Amortised Cost</b>	<b>5,079,049</b>	<b>6,249,927</b>
<b>Financial Liability: Amortised Cost</b>		
Sundry Creditors & Accrued Charges	325,568	412,593
<b>Total Financial Liabilities: Amortised Cost</b>	<b>325,568</b>	<b>412,593</b>

**(3) Financial Risk – Structure and Management**

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern. The Group's overall strategy is reviewed annually and remains unchanged.

Financial instruments which potentially subject the Group to a concentration of credit risk consist principally of cash, debtors and interest bearing deposits. The Group has no debt liability instruments.

Apart from security against Riskpool's future contributions, the Group does not require collateral or other security to support financial instruments with credit risk. As such, no collateral exists for any of the investments held by the Group. The maximum credit risk exposure is the carrying amount of the individual debtor and investment balances.

The Group has placed interest bearing deposits and funds to be managed with financial institutions and limits its amount of credit exposure to any one such institution.

**(a) Market Risk**

All financial assets and liabilities are New Zealand Dollar based and are recorded at amortised cost, therefore changes in interest rates and foreign currency values do not impact on their carrying value.

**(b) Carrying Amount and Fair Value**

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## NOTE 4 FINANCIAL INSTRUMENTS CONTINUED

## (3) Financial Risk – Structure and Management continued

## (c) Liquidity Risk

Liquidity Risk is the risk that the Group will encounter difficulties in raising funds at short notice to meet commitments associated with financial instruments. Management of liquidity risk is designed to ensure that the Group has the ability to meet financial obligations as they fall due.

The following tables include an analysis of the contractual undiscounted cash flows relating to the Group's financial assets and liabilities categorised by the maturity dates.

Maturity Analysis as at 31 December 2022						
	Interest Rate Spread %	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
<b>Assets</b>						
Cash & Cash Equivalents	0% to 2.85%	522,056	-	-	-	522,056
Term Deposits & Accrued Interest	2.5% to 5.05%	4,618,347	-	-	-	4,618,347
Other Receivables	n/a	416,660	-	-	-	416,660
Loans	3.47% to 6.53%	3,799,963	-	-	-	3,799,963
<b>Total Financial Assets</b>		<b>9,357,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,357,026</b>
<b>Liabilities</b>						
Sundry Creditors & Accrued Expenses	n/a	325,568	-	-	-	325,568
<b>Total Financial Liabilities</b>		<b>325,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>325,568</b>
Maturity Analysis as at 31 December 2021						
	Interest Rate Spread %	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
<b>Assets</b>						
Cash & Cash Equivalents	0% to 0.15%	335,363	-	-	-	335,363
Term Deposits & Accrued Interest	0.8% to 1.7%	3,732,341	2,203,572	-	-	5,935,913
Other Receivables	n/a	537,894	-	-	-	537,894
Loans	2.93% to 3.28%	2,408,002	-	-	-	2,408,002
<b>Total Financial Assets</b>		<b>7,013,600</b>	<b>2,203,572</b>	<b>-</b>	<b>-</b>	<b>9,217,172</b>
<b>Liabilities</b>						
Sundry Creditors & Accrued Expenses	n/a	412,593	-	-	-	412,593
<b>Total Financial Liabilities</b>		<b>412,593</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>412,593</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 4 FINANCIAL INSTRUMENTS** CONTINUED**(3) Financial Risk – Structure and Management** continued**(d) Credit Risk**

All investments are in the form of cash held at registered banks and loans. The registered banks have a credit rating of "A" or better. Loans are with Riskpool (refer to Note 13).

**(i) Exposure to Credit Risk**

	2022 \$	2021 \$
Cash & Cash Equivalents	522,056	335,363
Term Deposits & Accrued Interest	4,618,347	5,935,913
Other Receivables	416,660	537,894
Loans	3,799,963	2,408,002
<b>Total</b>	<b>9,357,026</b>	<b>9,217,172</b>

**(ii) Concentration of Credit Exposure**

94% of the Company's credit exposure is in the form of cash and term deposits held with registered banks and loans to Riskpool.

**NOTE 5 OPERATING LEASE COMMITMENTS**

	2022 \$	2021 \$
<b>Operating Lease Expense Commitments:</b>		
not later than one year	71,733	70,763
later than one year but not later than five years	115,482	184,629
later than five years	-	-
	<b>187,215</b>	<b>255,392</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## NOTE 6 OTHER EXPENSES

	2022 \$	2021 \$
Compliance Costs	176,876	77,324
Consultants	134,789	115,200
Legal Fees	58,142	109,289
Other Expenses	1,333,136	1,315,568
<b>Total</b>	<b>1,702,942</b>	<b>1,617,381</b>

## NOTE 7 PROPERTY, PLANT &amp; EQUIPMENT AND INTANGIBLE ASSETS

**Accounting Policy:**

Assets are depreciated on a straight line basis at rates calculated to allocate the assets' cost, in equal instalments over their estimated useful lives which are assessed and regularly reviewed.

**Depreciation Rates**

Office Furniture and Equipment	up to 17 years
--------------------------------	----------------

Intangibles – Software	2.5 years
------------------------	-----------

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 7** PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

	2022 \$	2021 \$
<b>(a) Property, Plant and Equipment</b>		
Office Furniture and Equipment – cost	175,510	139,772
Plus Additions	16,789	35,738
Less Disposals	(7,779)	-
<b>Closing Value – cost</b>	<b>184,520</b>	<b>175,510</b>
Office Furniture and Equipment – Accumulated Depreciation	(129,213)	(111,044)
Less Depreciation Charge	(20,101)	(18,169)
Less Disposals	7,524	-
Closing Accumulated Depreciation	(141,790)	(129,213)
<b>Net Book Value</b>	<b>42,730</b>	<b>46,297</b>

The Total Comprehensive Surplus After Tax in the Statement of Comprehensive Income includes losses on disposal of fixed assets of \$255 (2021: \$nil).

	2022 \$	2021 \$
<b>(b) Intangible Assets</b>		
Software – cost	435,064	601,403
Plus Additions	1,847	-
Less Disposals	-	(166,339)
<b>Closing Value – cost</b>	<b>436,911</b>	<b>435,064</b>
Software – Accumulated Amortisation	(276,226)	(430,518)
Less Amortisation Charge	(68,859)	(12,047)
Less Disposals	-	166,339
Closing Accumulated Amortisation	(345,085)	(276,226)
<b>Net Book Value</b>	<b>91,826</b>	<b>158,838</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 8 ANALYSIS OF FINANCIAL ASSETS NOT IMPAIRED**

There are no financial assets that are impaired or past due at balance date (2021: \$nil).

**NOTE 9 CONTINGENT LIABILITIES**

There are no contingent liabilities (2021: \$nil).

**NOTE 10 TAXATION****Accounting Policies:****i) Current Tax**

The current income tax expense charged against the profit for the year is the estimated liability in respect of the taxable profit. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for the current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets are offset only when there is a legally enforceable right to set off the recognised amounts, and an intention to settle on a net basis.

**ii) Deferred Tax**

The liability method of accounting for deferred taxation is applied on a comprehensive balance sheet basis in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income.

Significant judgements, estimates and assumptions are made in respect of the recognition of the deferred tax asset. It is recognised that the deferred tax asset will be utilised over a relatively long time period. The Entity expects to remain profitable and have a steady income stream over the medium to long term, matching its low margin long dated products.

**iii) Goods and Services Tax (GST)**

Revenue, expenses, assets and liabilities are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority the GST is recognised as part of the cost of the acquisition of the assets or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 10 TAXATION** CONTINUED**(a) Income tax recognised in the Statement of Comprehensive Income**

	2022 \$	2021 \$
<b>Tax expense comprises:</b>		
Current tax expense	40,265	-
Adjustments recognised in the current year in relation to the current tax of prior years	86	-
Deferred tax relating to temporary differences	1,125,262	141,639
<b>Total tax expense</b>	<b>1,165,613</b>	<b>141,639</b>
<b>Attributable to:</b>		
Continuing operations	1,165,613	141,639
	<b>1,165,613</b>	<b>141,639</b>

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2022 \$	2021 \$
Surplus before tax	142,232	502,167
Income tax calculated at 28%	39,825	140,607
Tax effect of permanent differences	440	1,032
Derecognition of tax losses	1,125,262	-
Prior Period Adjustment	86	-
<b>Income Tax Expense</b>	<b>1,165,613</b>	<b>141,639</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 10 TAXATION** CONTINUED**(b) Current tax assets and liabilities**

	2022	2021
	\$	\$
Tax refund receivable	-	-
	-	-

**(c) Deferred tax balances**

	2022	2021
	\$	\$
<b>Deferred tax assets comprise:</b>		
Temporary differences and tax losses	1,042,939	2,208,172
	1,042,939	2,208,172
<b>Deferred tax liabilities comprise:</b>		
Temporary differences	255	634
	255	634
<b>Net Deferred Tax balance</b>	<b>1,043,193</b>	<b>2,208,806</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 10 TAXATION** CONTINUED**(c) Deferred tax balances continued**

Gross taxable and deductible temporary differences for the Group arise from the following:

	Opening Balance \$	Charged to Income \$	Charged to Equity \$	Prior Period Adjustment \$	Closing Balance \$
2022	Property and equipment	2,269	(1,051)	-	914
		<b>2,269</b>	<b>(1,051)</b>	<b>-</b>	<b>914</b>
2021	Employee entitlements	84,452	(4,216)	-	80,236
	Losses carried forward	7,801,875	(4,157,331)	-	3,644,544
	<b>7,886,328</b>	<b>(4,161,547)</b>	<b>-</b>	<b>-</b>	<b>3,724,781</b>
	<b>Attributable to:</b>				
	Continuing operations	7,888,597	(4,162,598)	-	3,725,995
	Total	7,888,597	(4,162,598)	-	3,725,995
	Tax effect at 28%	2,208,806	(1,165,527)	-	1,043,193
2022	Property and equipment	2,987	(718)	-	2,269
		<b>2,987</b>	<b>(718)</b>	<b>-</b>	<b>2,269</b>
2021	Employee entitlements	62,036	22,416	-	84,452
	Losses carried forward	8,329,428	(527,552)	-	7,801,875
	<b>8,391,464</b>	<b>(505,136)</b>	<b>-</b>	<b>-</b>	<b>7,886,328</b>
	<b>Attributable to:</b>				
	Continuing operations	8,394,451	(505,854)	-	7,888,597
	Total	8,394,451	(505,854)	-	7,888,597
	Tax effect at 28%	2,350,445	(141,639)	-	2,208,806

No liability has been recognised in respect of the undistributed earnings of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The deferred tax asset relating to tax losses carried forward has been recognised as the financial forecasts anticipate the Group maintaining sufficient profitability in future financial years to utilise these losses (refer Note 20). The deferred tax asset does not include unrecognised tax losses of \$4,091,540 (unrecognised deferred tax asset effect at 28% of \$1,145,631).

**(d) Imputation Credit Account**

	2022 \$	2021 \$
<b>Closing Balance</b>	<b>1,593,490</b>	<b>1,593,490</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 11 RECONCILIATION OF COMPREHENSIVE INCOME AFTER TAX WITH CASH FLOW FROM OPERATING ACTIVITIES****Accounting Policy:**

*The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Income. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to, the taxation authority is classified as operating cash flow.*

**The following are definitions of the terms used in the Statement of Cash Flows:**

- *Bank comprises cash on hand and demand deposits.*
- *Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of Cash and which are subject to insignificant risk of changes in value.*
- *Cash flows are inflows and outflows of cash and cash equivalents.*
- *Operating activities are the principal revenue producing activities of the entity and other activities that are not investing or financing activities.*
- *Investing activities are the acquisition and disposal of long-term assets.*
- *Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 11 RECONCILIATION OF COMPREHENSIVE INCOME AFTER TAX WITH CASH FLOW FROM OPERATING ACTIVITIES** CONTINUED

	2022 \$	2021 \$
<b>Total Comprehensive Surplus</b>	(1,023,381)	360,528
<b>Add/(less) non cash items</b>		
Loan Interest	(152,079)	(65,003)
Depreciation	20,101	18,169
Amortisation	68,859	12,047
Movement in CLP/ Riskpool Admin Fee Reserve	(19,256)	(19,257)
Movement in Deferred Tax Asset	1,165,613	141,639
Net change in fair value of investment property	-	-
	1,083,238	87,596
<b>Add/(less) movements in other working capital items</b>		
Sundry Debtors, Prepayments and Accrued Interest	115,442	(129,232)
Sundry Creditors and Accrued Charges	(87,913)	104,657
Tax Refund Due	-	-
	27,529	(24,576)
Add/(Less) Items Classified as Investing Activity	(73,809)	(45,979)
Add/(Less) Items Classified as Financing Activity	74,632	12,264
<b>Net Cash Flow from Operating Activities</b>	<b>88,209</b>	<b>389,833</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## NOTE 12 SUNDRY DEBTORS AND CREDITORS

## (a) Sundry Debtors and Prepayments

	2022 \$	2021 \$
Sundry Debtors	416,658	537,894
Prepayments	77,343	109,000
GST Receivable	-	2,554
<b>Sundry Debtors and Prepayments</b>	<b>494,001</b>	<b>649,448</b>

## (b) Sundry Creditors and Accrued Charges

	2022 \$	2021 \$
Sundry Creditors and Accrued Charges	322,630	337,961
Related Party Loan Payable to CLP	-	74,632
GST Payable	2,938	-
<b>Sundry Creditors and Accrued Charges</b>	<b>325,568</b>	<b>412,593</b>

## NOTE 13 LOANS

*Loan Receivable*

Local Government Mutual Funds Trustee Limited is the trustee of Riskpool and Civic Liability Pool (CLP). The Company provides administrative services to Riskpool and CLP.

**Related Party Loans Receivable**

	2022 \$	2021 \$
Riskpool	3,799,963	2,408,002
Civic Liability Pool	-	-
<b>Total Related Party Loans Receivable</b>	<b>3,799,963</b>	<b>2,408,002</b>

Secured loan agreements between the Company and Local Government Mutual Funds Trustee Limited on behalf of Riskpool were entered into in February 2017, August 2017 and again in November 2018 to assist with Riskpool's cashflow. The amounts made available under the 2017 agreements were reduced in 2018 to provide facilities of \$2,250,000 each (2017: \$3,000,000) and under the terms of the loans the interest rate is set as BKBM plus a margin. The November 2018 agreement provided a loan facility of \$4,000,000, which was repaid in full in August 2019 (and is no longer available). Under the terms of the loan agreement the interest rate is set at the ANZ Bank lending rate plus a margin. Riskpool may repay the loans and any interest at any time without penalty. The Company may require repayment of the loans (including all interest) in full or in part at any time with six months' notice. Either party may terminate the agreements on six months' notice or any other such period that both parties agree to. On termination, the loan outstanding and any interest due to the date of repayment must be paid within the period of notice. The loan outstanding at 31 December 2022 is \$3,779,963 (2021: \$2,408,002). Interest received by the Company relating to the loans for the year to 31 December 2022 was \$152,081 (2021: \$65,334).

The Company and Local Government Mutual Funds Trustee Limited on behalf of CLP have an agreement whereby the Company funds any claims payable for CLP under the Trust Deed, without charge to the Trust, which will be reimbursed by CLP in respect of any such claim payments when CLP receives the applicable reinsurance payments on the claims. The loan outstanding at 31 December 2022 is \$nil (2021: \$nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 14 AUDIT FEES**

A breakdown of the fees paid to the auditors is below:

	2022 \$	2021 \$
<b>Statutory Audit of the Financial Statements</b>		
Civic Financial Services	52,367	41,580
Civic Liability Pool	18,085	17,640
Local Government Superannuation Trustee	53,964	44,476
<b>Total Statutory Audit of the Financial Statements</b>	<b>124,416</b>	<b>103,697</b>
<b>Other Fees Paid to Auditors for Assurance Services</b>	<b>28,750</b>	<b>30,368</b>
<b>Other Fees Paid to Auditors for Tax Compliance</b>	<b>-</b>	<b>-</b>
<b>Total Fees Paid to the Auditors</b>	<b>153,166</b>	<b>134,065</b>

**NOTE 15 SHAREHOLDERS' EQUITY**

The Share Capital of the Group comprises solely authorised and issued ordinary shares with each share ranking equally in votes, dividends and surpluses. In 2021 there were no shares issued. There were no shares issued during 2022.

	2022 \$	2021 \$
<b>Retained Earnings</b>		
Opening Balance	418,894	58,366
Net Surplus After Taxation	(1,023,381)	360,528
Dividend Payment	-	-
<b>Closing balance</b>	<b>(604,487)</b>	<b>418,894</b>
<b>Shareholders Capital</b>		
Opening Balance	10,763,506	10,763,506
Ordinary Shares issued during the year	-	-
<b>Closing balance</b>	<b>10,763,506</b>	<b>10,763,506</b>
<b>Number of Ordinary Shares Fully Paid</b>	<b>11,249,364</b>	<b>11,249,364</b>
<b>Par Value per Share</b>	<b>\$0.90</b>	<b>\$0.99</b>
<b>Dividend Payment per Share</b>	<b>\$0.00</b>	<b>\$0.00</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 16 EQUITY RETAINED FOR FINANCIAL SOUNDNESS**

All shareholder equity is retained to ensure the financial soundness of the Group with cash being retained for cash flow purposes.

**NOTE 17 RELATED PARTIES**

The Company provided administration services to related parties during the year to NZ Local Authority Protection Programme (LAPP), NZ Mutual Liability Riskpool (Riskpool), Local Government Superannuation Trustee (Trustee of the Local Government Superannuation Scheme (LGSS) and SuperEasy KiwiSaver Superannuation Scheme (SKSS) and Civic Property Pool (CPP). There were no related party transactions with CPP in either of the last two years.

The income derived from the administration services as well as year end accounts receivable are detailed in the table below. Refer to Note 12 and Note 13 for the terms and information relating to loans with related parties.

**Administration Fees**

	2022 \$	2021 \$
LGSS & SKSS	2,425,046	2,606,612
LAPP	305,000	304,000
Riskpool	155,380	170,730
Civic Liability Pool	19,256	19,256
<b>Administration Fees from Related Parties</b>	<b>2,904,682</b>	<b>3,100,598</b>

**Accounts Receivable**

	2022 \$	2021 \$
LGSS & SKSS	416,355	537,516
LAPP	-	378
<b>Accounts Receivable from Related Parties</b>	<b>416,355</b>	<b>537,894</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

**NOTE 18 SUBSEQUENT EVENTS**

On 17 March 2023 the Company entered into a further loan agreement to Riskpool, on the same terms as the previous agreements, providing a facility up to a maximum of \$2,500,000. This is considered a non-adjusting event.

There have been no other material events subsequent to 31 December 2022 that require adjustment to or disclosure in the financial statements.

**NOTE 19 CAPITAL COMMITMENTS**

The Company has no capital commitments at balance date (2021: \$nil).

**NOTE 20 GOING CONCERN**

The financial statements have been prepared on a going concern basis.

The profitability of financial services supports the going concern assumption for Civic Financial Services Ltd as a whole. The deferred tax asset is reviewed regularly and at balance date against forecast profits and future business opportunities. The Directors believe that it is probable that sufficient taxable profits will be available in the future against which the unused tax losses can be utilised.



## CIVIC FINANCIAL SERVICES SHAREHOLDERS AS AT 31 DECEMBER 2022

SHAREHOLDER MEMBER	NO. OF SHARES	%	SHAREHOLDER MEMBER	NO. OF SHARES	%
<b>CITY COUNCILS</b>			<b>DISTRICT COUNCILS (Cont'd)</b>		
Auckland	2,195,042	19.51%	Rangitikei	35,338	0.31%
Christchurch	1,417,704	12.60%	Rotorua	175,906	1.56%
Dunedin	470,966	4.19%	Ruapehu	56,666	0.50%
Hamilton	202,729	1.80%	South Taranaki	135,496	1.20%
Hutt	479,822	4.27%	South Waikato	42,374	0.38%
Invercargill	407,927	3.63%	South Wairarapa	53,930	0.48%
Napier	283,842	2.52%	Southland	13,715	0.12%
Nelson	95,543	0.85%	Stratford	65,608	0.58%
Palmerston North	411,737	3.66%	Tararua	99,972	0.89%
Porirua	140,146	1.25%	Tasman	65,584	0.58%
Tauranga	124,242	1.10%	Taupo	83,971	0.75%
Upper Hutt	51,209	0.46%	Thames-Coromandel	27,120	0.24%
Wellington	526,821	4.68%	Timaru	230,118	2.05%
<b>DISTRICT COUNCILS</b>			Waikato	41,070	0.37%
Ashburton	56,016	0.50%	Waimakariri	88,172	0.78%
Buller	27,698	0.25%	Waimate	30,458	0.27%
Carterton	23,642	0.21%	Waipa	149,082	1.33%
Central Hawke's Bay	28,580	0.25%	Wairoa	22,992	0.20%
Central Otago	91,238	0.81%	Waitaki	120,000	1.07%
Clutha	33,711	0.30%	Waitomo	16,940	0.15%
Far North	85,440	0.76%	Western Bay of Plenty	28,142	0.25%
Gisborne	99,404	0.88%	Westland	28,356	0.25%
Gore	54,589	0.49%	Whakatane	38,788	0.34%
Grey	33,742	0.30%	Whanganui	289,660	2.57%
Hastings	129,170	1.15%	Whangarei	63,524	0.56%
Hauraki	63,434	0.56%	<b>REGIONAL COUNCILS</b>		
Horowhenua	110,689	0.98%	Bay of Plenty	55,000	0.49%
Hurunui	14,000	0.12%	Canterbury	152,696	1.36%
Kaikoura	10,000	0.09%	Hawke's Bay	20,000	0.18%
Kaipara	13,629	0.12%	Horizons	2,000	0.02%
Kapiti Coast	15,060	0.13%	Southland	10,000	0.09%
Kawerau	31,161	0.28%	Taranaki	1,000	0.01%
Manawatu	203,964	1.81%	Waikato	22,000	0.20%
Marlborough	86,022	0.76%	Wellington	80,127	0.71%
Masterton	127,230	1.13%	<b>OTHER</b>		
Matamata-Piako	122,554	1.09%	TrustPower	137,251	1.22%
New Plymouth	441,456	3.92%	<b>Total Shares</b> <span style="float: right;"><b>11,249,364</b></span>		
Opotiki	20,000	0.18%			
Otorohanga	5,000	0.04%			
Queenstown-Lakes	31,149	0.28%			

# Civic Financial Services Ltd Statement of Intent

For the year to 31 December 2023



## Contents

1.0	What we do	3
2.0	Mission Statement	3
3.0	Financial Projections	3
4.0	Performance Measures	4
5.0	Reporting to Shareholders	4
6.0	Transactions with Related Parties	5
7.0	Member Communication	5



## 1.0 What we do

- 1.1 We provide superannuation services for the local government sector through our SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme.
- 1.2 We also provide high-quality, low-cost administration services to our client boards (Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool).

## 2.0 Mission Statement

- 2.1 Civic will be a trusted and preferred financial services provider to the local government sector:
  - Dedicated to our shareholders.
  - Committed to our members.
  - A sound and successful business.

## 3.0 Financial Projections

- 3.1 Our primary source of income in 2023 will come from fees for providing superannuation administration for the local government sector through the SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme. We also receive fees from providing administration, accounting and other services to the Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool.
- 3.2 Our other source of income in 2023 will come from returns on our investments.
- 3.3 The Boards current policy is not to pay a dividend to our shareholders. It was agreed at the 2020 Special General Meeting that the funds which could otherwise be provided as dividends to shareholders should be used to reduce the administration fees applied to our two superannuation schemes.
- 3.4 Fee reduction: We will reduce the SuperEasy KiwiSaver Superannuation Scheme and Local Government Superannuation Scheme base administration fee from 0.37% per annum to 0.35% per annum from 1 April 2023.

3.5 Financial projections for the years 2023 to 2025 are:

	2023 \$000's	2024 \$000's	2025 \$000's
Administration Income	2,146	2,147	2,012
Investment Income	431	415	420
Total Revenue	2,577	2,562	2,432
Expenses	2,430	2,415	2,319
Surplus before tax	147	147	113
Surplus after tax	106	106	81

Note - these are projections, not firm predictions.

## 4.0 Performance Measures

- 4.1 We aim to provide superannuation and savings products and services to at least 90% of local authorities.
- 4.2 We plan to be retained as administration manager for the Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool.

## 5.0 Reporting to Shareholders

- 5.1 We will provide an audited report for the 2022 year by 30 April 2023. The report will contain a review of our operations during the year and audited annual accounts.
- 5.2 We will provide a report on the first half of 2023 by 30 September 2023. The report will contain a review of our operations during the half-year and unaudited half-yearly accounts.

## 6.0 Transactions with Related Parties

- 6.1 Civic has 73 shareholders, comprising 72 local authorities and TrustPower.
- 6.2 Local Government Superannuation Trustee Limited and Local Government Mutual Funds Trustee Limited are wholly owned subsidiaries of Civic. Because it is sharing management resources, the Local Authority Protection Programme, Riskpool, Civic Liability Pool and Civic Property Pool are also considered to be related parties.
- 6.3 Transactions with shareholder members include risk-financing services and superannuation and savings-related financial services.
- 6.4 Charges to and from shareholder members will be made for services provided as part of the normal trading activities of Civic and its subsidiaries. All transactions with shareholder members are made on a purely commercial basis.

## 7.0 Member Communication

- 7.1 We have developed strategies setting out the future direction of Civic which focuses on three key areas; positioning, promoting and protecting its brand as a trusted and preferred superannuation provider to the local government sector. The strategies are underpinned by Civic's people-centric model, an approach that cares about its members and their whānau and aims to maximise their retirement funds.
- 7.2 This has involved reviewing Civic's processes and product narratives to ensure they follow the BRACS formula: Believable, Relevant, Actionable, Compelling and Simple.
- 7.3 More regular and informative newsletters have become an important part of Civic's member-centric approach. As part of this, we have created presentations that better describe our purpose and the superannuation product range. The website has also undergone a refresh, the content and navigation being revised to provide easy access to product information, including automated sign-up forms to ensure a more efficient and user-friendly service for members and potential members.
- 7.4 The first member survey has been conducted and results circulated, with regular surveys to follow once a year to gauge ongoing member satisfaction and assess the opportunity for better provision of services. Regular and targeted communications will provide members with the information requested in the surveys.
- 7.5 We have also developed promotional case studies that articulate why members have joined the superannuation schemes and how they will benefit from that membership.



**Document No:** A674641

**Report To: Council**



**Meeting Date:** 25 July 2023

**Subject:** **Statement of Intent 2023/2024 for the Local Government Funding Agency Limited**

**Type:** Information Only

**Purpose of Report**

- 1.1 The purpose of this business paper is to present the 2023/24 Statement of Intent (SoI) for the Local Government Funding Agency (LGFA).

**Background**

- 2.1 The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand.
- 2.2 Waitomo District Council (WDC) joined the LGFA as a borrower and guarantor in April 2017. Substantially all its borrowings are now provided from the LGFA.
- 2.3 As a borrower WDC looks to the LGFA as first lender of choice for Council's borrowing requirements. As a guarantor to the LGFA, WDC has an ongoing interest in the financial strength of LGFA.
- 2.4 Enclosed separately and forming part of this paper is the LGFA Statement of Intent for the year ending 30 June 2024.

**Commentary**

- 3.1 LGFA have provided the final Statement of Intent for the year ended 30 June 2024.
- 3.2 Within the financial forecasts, there is a forecast increase in the Net Operating Profit compared to prior years. This is due to an increase in net interest income arising from a larger amount of lending to Councils and CCOs.
- 3.3 There remains some uncertainty for the LGFA on the forecasts relating to the amount of both Council loans and LGFA bonds outstanding as this depends on the magnitude and timing of Council borrowing. The SoI is based on the Councils' Long Term Plans and CCO information which forecast a significant increase in borrowing in each of the next three years. The actual amount of borrowing will be influenced by the ability of councils to deliver on the capital expenditure forecasts, any cost increases as well as the amount of Central Government assistance on some capital projects.
- 3.4 The Waters Reform programme has assumed the establishment of 10 new water entities will take place from 1 July 2024 and conclude by 1 July 2026. This period covers the second and third years of the SoI forecasts and at this point the LGFA are unsure of any role the LGFA will have in lending to the new entities once established, how the transition of debt and assets between councils and the new water entities will occur and the borrowing behaviour by councils ahead of, and during the transition period.
- 3.5 LGFA have 5 strategic priorities:
  - Governance, capacity and business practice
  - Optimising financial services for local government
  - Environmental and social responsibility
  - Effective management of loans
  - Industry leadership and engagement

- 3.6 The SoI performance targets are the same as prior year, except for the inclusion of Climate Action Loans within the Environment and Social Responsibility section.
- 3.7 The key performance measures within the 5 priority areas have been extracted from the Final SoI 2023/24 in the following table:

Area	Measure	Target 2023/24
Governance, capacity and business practice	Compliance with Shareholder Foundation and Treasury Policies	No breaches
	Maintain Credit Rating	Equal to New Zealand Government (when rated by same credit rating agency)
	Total Operating Income	>\$20.6 million
	Total Operating Expenses	<\$10.0 million
Optimising financial services for local government	Market Share	>80%
	Total Lending to Participating Borrowers	>\$17,870 million
	Annual Survey	>85% Satisfaction score
	Refinance existing loans to councils	All loans
	Lending Requests	100% of compliant requests
Environmental and social responsibility	Comply with the Health and Safety at Work Act 2015	No breaches
	Maintain Toitu Carbon Zero certification	Carbon zero certification maintained
	Meet carbon reduction targets	Reduction targets met
	Increase Green, Social & Sustainable loans (GSS) and Climate Action Loans (CALs)	Two new GSS loans undertaken and three new borrowers enter into CALS
	Annual Report complies with applicable GRI Standards	100% compliant
	Meet all mandatory climate reporting standards	100% compliant
Effective management of loans	Review Participating Borrowers financial position	100% of Participating Borrowers
	Meet each participating borrower over a 15 month period	100% of Participating Borrowers

### Suggested Resolutions

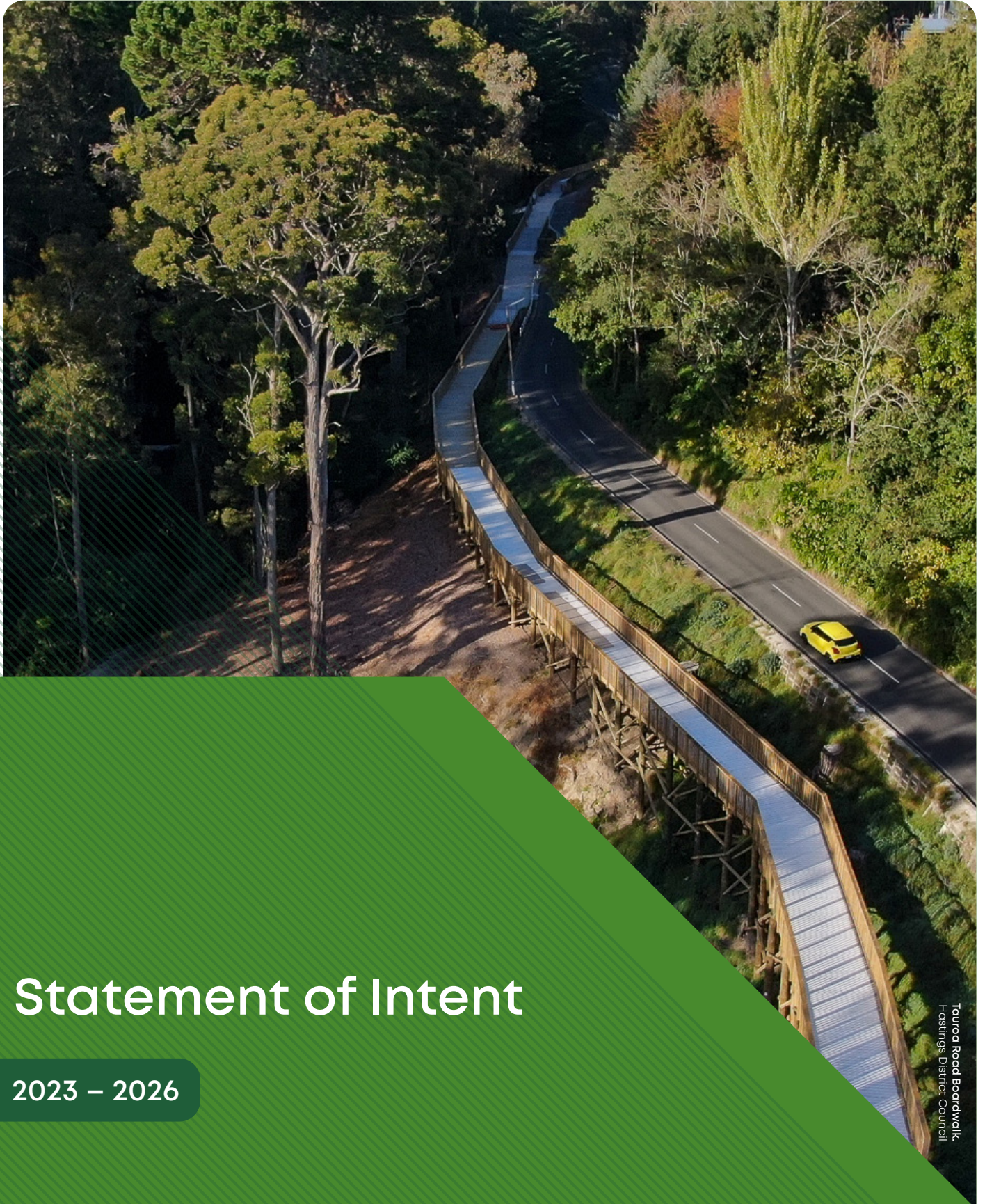
- 1 The business paper on the Statement of Intent 2023/2024 for Local Government Funding Agency Limited be received.
- 2 Council note the Statement of Intent for the Local Government Funding Agency.



TINA HITCHEN  
**CHIEF FINANCIAL OFFICER**



New Zealand Local  
Government Funding Agency  
Te Pūtea Kāwanatanga ā-rohe



Taurua Road Boardwalk  
Hastings District Council

# Statement of Intent

2023 – 2026

## 1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2023 to 30 June 2026. LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

**Note:** This SOI, including financial forecasts, assumes that there are no implications for LGFA from the Affordable Water Reforms. We are awaiting further information relating to the establishment of the Water Services Entities (WSEs); how WSEs are intending to structure their borrowing; how the transition of revenue and debt will occur between our council members and WSEs, and the impact on future council borrowing intentions from the Affordable Water Reforms. We will provide an update to stakeholders on implications for LGFA as further information becomes available.

## 2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (participating borrowers).

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to participating borrowers that have entered into required relevant legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

## 3. Our purpose Ta tatou kaupapa

**Benefiting local communities through delivering efficient financing for local government.**

**Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.**

## 4. Our values Ō mātau uara

**We act with integrity**

**E pono ana mātau**

We are honest, transparent and are committed to doing what is best for our customers and our company.

**We are customer focused**

**E arotahi ana mātau ki te kiritaki**

Our customers are our council borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference.

**We strive for excellence**

**E whakapau kaha mātau kia hiranga te mahi**

We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.

**We provide leadership**

**He kaiārahi mātau**

We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.

**We are innovative**

**He auaha mātau**

To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.



## 5. Foundation objectives

The Shareholders' Agreement is a foundation document and states that, in accordance with the Local Government Act, in carrying on its business the objectives of the Company will be to:

- (a) achieve the objectives of the Shareholders (both commercial and non-commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;
- (b) be a good employer;
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- (d) conduct its affairs in accordance with sound business practice.

This Statement of Intent sets out the company's strategic priorities, together with associated objectives and performance targets, which align with the foundation objectives and have been agreed with shareholders.

## 6. Strategic priorities

The following five strategic priorities encompass the foundation objectives and guide the LGFA Board and management in determining our strategy, objectives and associated performance targets.

### Governance, capability and business practice

LGFA is committed to demonstrating best practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

### Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

### Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

### Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

### Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

## 7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2023-2026.

The financial performance targets are focused on the 2023-2024 year and, as applicable, are based on the financial forecasts outlined in section 8.

### Governance, capability and business practice

Objectives	How we measure our performance
LGFA will:	
Demonstrate best practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual and Half Year Reports.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	The Annual Report reports on our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2023-2024 target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
LGFA's total operating income for the period to 30 June 2024.	> \$20.6 million
LGFA's total operating expenses for the period to 30 June 2024.	< \$10.0 million

### Optimising financing services for local government

Objectives	How we measure our performance
LGFA will:	
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high-grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges.

Performance targets	2023-2024 target
Share of aggregate long-term debt funding to the Local Government sector.	> 80%
Total lending to Participating Borrowers.	> \$17,870 million
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%

## Environmental and social responsibility

Objectives	How we measure our performance
LGFA will:	
Assist the local government sector in achieving their sustainability and climate change objectives.	LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand. Green, Social & Sustainability (GSS) loan applications from councils are appraised by the LGFA Sustainability Committee, with approved loans monitored for ongoing compliance.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions and formalised processes to measure our greenhouse gas (GHG) emissions, as well as management plans to reduce our company's emissions.

Performance targets	2023-2024 target
Comply with the Health and Safety at Work Act 2015.	No breaches
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.
Increase our GSS lending book and Climate Action Loans (CALs).	Two new GSS loans undertaken. Three new borrowers enter into CALs
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%
Meet all mandatory climate reporting standards.	100%

## Effective management of loans

Objectives	How we measure our performance
LGFA will:	
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list. Participating borrowers are required to complete annual compliance certificates by the end of November each year.
Analyse finances at the Council group level where appropriate and report to shareholders.	
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	Number of participating borrowers visited in a year.

Ensure a smooth transition of water-related loans if the Affordable Water Reforms progresses over forecast period.

LGFA will be able to ensure the successful transition of existing council water-related loans to the Water Services Entities (if requested by a council).

Performance targets	2023-2024 target
Review each Participating Borrower's financial position.	100%
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%

## Industry leadership and engagement

Objectives	How we measure our performance
LGFA will:	
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues. Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions.
Assist the local government sector with significant matters such as the Affordable Water Reforms.	Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA.
Maintain productive relationships with central government representatives.	Report back on the alignment of LGFA and council's climate and emissions reporting requirements.
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	Report back in how we are helping smaller council's understand future reporting requirements.

## 8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2026:

Comprehensive income \$m	Jun 24	Jun 25	Jun 26
<b>Net Interest income</b>	<b>19.2</b>	<b>18.6</b>	<b>20.2</b>
Other operating income	1.3	1.3	1.3
<b>Total operating income</b>	<b>20.6</b>	<b>19.9</b>	<b>21.5</b>
Approved Issuer Levy	0.3	0.4	0.4
Issuance & onlending costs	3.8	3.9	4.0
Operating overhead	5.8	6.3	6.6
<b>Issuance and operating expenses</b>	<b>10.0</b>	<b>10.6</b>	<b>11.0</b>
<b>P&amp;L</b>	<b>10.6</b>	<b>9.3</b>	<b>10.5</b>
Financial position (nominals) \$m	Jun 24	Jun 25	Jun 26
Liquid assets portfolio	1,921	1,905	1,783
Loans to local government	18,120	20,030	21,505
Other assets	-	-	-
<b>Total Assets</b>	<b>20,041</b>	<b>21,935</b>	<b>23,288</b>
Bonds on issue (ex Treasury stock)	18,210	19,351	20,376
Bills on issue	700	700	700

Borrower notes	398	458	501
Other liabilities	-	-	-
<b>Total Liabilities</b>	<b>19,308</b>	<b>20,509</b>	<b>21,577</b>
Capital	25	25	25
Retained earnings	95	102	111
Dividend	(2)	(2)	(2)
<b>Shareholder equity</b>	<b>118</b>	<b>125</b>	<b>134</b>
<b>Ratios</b>	<b>Jun 24</b>	<b>Jun 25</b>	<b>Jun 26</b>
Liquid assets/funding liabilities	10.3%	9.6%	8.5%
Liquid assets / total assets	9.6%	8.7%	7.7%
Net interest margin	0.11%	0.09%	0.09%
Cost to income ratio	48.5%	53.2%	51.1%
Return on average assets	0.05%	0.04%	0.05%
Shareholder equity/total assets	0.6%	0.6%	0.6%
Shareholder equity + BN/total assets	2.6%	2.7%	2.7%
Asset growth	12.0%	9.4%	6.2%
Loan growth	12.8%	10.5%	7.4%
Return on equity	9.7%	7.9%	8.4%
Capital ratio	12.9%	13.3%	13.6%

The above forecasts assume a gross bond issuance programme of \$4.20 billion (FY24), \$4.15 billion (FY25) and \$4.24 billion (FY26) based upon term lending to councils of \$3.91 billion (FY24), \$4.19 billion (FY25) and \$3.81 billion (FY26).

Note there is a high level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the Affordable Water Reforms and the impact on councils.

Councils prepared their 2021-31 Long Term Plans (and borrowing forecasts) on the assumption that the Affordable Water Reforms was not progressing, and we have made the same assumption with our forecasts. LGFA projects it could have between \$5 billion to \$6 billion of loans to councils in June 2024 that are related to three waters. There have been no final decisions regarding the transfer mechanism for assets, liabilities and revenue from councils to the proposed Water Services Entities. We will update stakeholders on implications for LGFA as further information becomes available.

## 9. Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

## 10. Governance

### Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice with respect to:

- The operation of the Board.
- The performance of the Board.

- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than six times each year.

### Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

## 11. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

### Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

### Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

### Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrower's (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).

- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- Commentary on sustainability initiatives.

### Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

### Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

## 12. Acquisition / divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

## 13. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

## 14. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considered that at establishment the commercial value of LGFA was equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equates to a value per share of \$1.00.

## 15. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

## Statement of Accounting Policies

### 1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

### 2. Statement of compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

### 3. Basis of preparation

#### Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

#### Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

#### Changes in accounting policies

There have no changes to accounting policies.

#### Early adoption standards and interpretations

LGFA has not early adopted any standards.

#### Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

#### Financial instruments

##### Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents.

Purchases and sales of all financial assets are accounted for at trade date.



At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

### Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

### Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

### Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

### Other assets

#### Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

#### Intangible assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

### Other liabilities

#### Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

### Revenue

#### Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

### Expenses

Expenses are recognised in the period to which they relate.

#### Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

### Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

### Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### Segment reporting

LGFA operates in one segment being funding of participating borrowers in New Zealand.

### Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

**Document No:** A674588

**Report To:** Council



**Meeting Date:** 25 July 2023

**Subject:** Adoption of Statement of Intent 2023/2024 for Co-Lab

**Type:** Decision Required

### Purpose of Report

- 1.1 The purpose of this business paper is to present and adopt the Statement of Intent (SoI) for Co-Lab.

### Background

- 2.1 Council received draft SoI from Co-Lab within the statutory deadline of 1 March. The draft SoI was presented to Council on the 28 March 2023.
- 2.2 Council resolved the draft SoI be received and that no changes are suggested to the draft Statement of Intent for the year ending 30 June 2024.
- 2.3 Section 64 of LGA 2002 also requires the board of all CCOs to deliver a completed SoI to the shareholders before the commencement of the financial year to which it relates.
- 2.4 The Local Government Act 2002 requires that :
 

*"Each shareholding local authority must publish the adopted statement of intent on an Internet site maintained by or on behalf of the local authority within 1 month of adopting it and must maintain the statement on that site for a period of no less than 7 years."*
- 2.5 Enclosed separately and forming part of this business paper is a copy of the final Co-Lab Statement of Intent for the year ended 30 June 2024.

### Commentary

- 3.1 Co-Lab has delivered a completed SoI for 2023/24 financial prior to the commencement of the 2023/24 Financial Year.
- 3.2 Co-Lab Board adopted and delivered a SoI that is consistent with the draft SoI presented to Council on the 28 March 2023.
- 3.3 The final SoI has been updated to reflect the changes announced by the Government on 11 April 2023 about the Water Reforms. Revenue and expenditure forecasts have been updated for 2024/25 and 2025/26 for Water Collaboration and Co-Lab Water Services to reflect the change in transition date to 1 July 2026.
- 3.4 The priority and performance measures are unchanged, operational budgets have changed to reflect the focus and planned projects for the 2023/24 financial year.
- 3.5 The total income forecast for 2023/24 has increased by \$2 million to \$11.97 million, total operating expenditure has also increased by \$2 million to \$11.79 million resulting in an increase to the projected surplus to \$101,000.
- 3.6 The main changes to the financials since the draft SoI are the inclusion of additional revenue and expenditure for Information Technology, the Waikato Regional Transport Model and Communications Resource.

**Considerations**

- 4.1 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**
- 4.2 The decision to adopt the SoI 2023/24 as presented will be consistent with Council's understanding of the future plans of Co-Lab and its objectives for the CCO.
- 4.3 **SIGNIFICANCE AND COMMUNITY VIEWS**
- 4.4 The SoI 2023 is aligned to Co-Lab constitution and their plans and forecasts discussed with the Council previously and is generally aligned with the expectations of Council from its shareholding. Therefore, the decision is not considered to require public engagement as per Council's Significance and Engagement Policy.

**Suggested Resolutions**

- 1 The business paper on Adoption of Statement of Intent 2023/2024 for Co-Lab be received.
- 2 Council adopt the Co-Lab Statement of Intent for year ended 30 June 2024.
- 3 That the Co-Lab Statement of Intent for year ended 30 June 2024 be published on Council's website.



TINA HITCHEN  
**CHIEF FINANCIAL OFFICER**

17 July 2023

Attachment: Statement of Intent 2023 – Co-Lab (A674589)



## **2023 Statement of intent**

**For the year ended 30 June 2024**

**Supporting councils to maximise the value they provide to their communities by helping them identify and realise shared opportunities.**

## Table of Contents

<b>MESSAGE FROM THE CHAIR</b> .....	3
<b>SOI MILESTONES AT A GLANCE</b> .....	4
<b>INTENTIONS FOR FY2023/2024</b> .....	5
Focus areas beyond business as usual .....	5
Continuation of business as usual.....	6
<b>FINANCIALS</b> .....	7
Overview .....	7
Statement of Financial Performance.....	8
Statement of Financial Position.....	9
Statement of Cashflows .....	9
<b>APPENDIX I: OPPORTUNITY DEVELOPMENT PROJECTS</b> .....	10
<b>APPENDIX II: NATURE &amp; SCOPE OF SERVICES</b> .....	12
<b>APPENDIX III: PERFORMANCE FRAMEWORK &amp; MEASURES</b> .....	13
<b>APPENDIX IV: GOVERNANCE</b> .....	15
<b>APPENDIX V: POLICY STATEMENTS</b> .....	16

---

This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Ltd trading as Co-Lab (Co-Lab). It outlines the nature and scope of the work it will undertake, the Directors' accountabilities to the shareholders for corporate performance and financial forecasts, as required by Schedule 8 of the Local Government Act 2002. This information is provided in relation to the financial years ended 30 June 2024 to 30 June 2026.

## Message from the Chair



We recognise our shareholding councils are facing many challenges right now. Communities are dealing with rising living costs, goods shortages, and deciphering what it means to live in a post-pandemic world. We are going through unprecedented change to the local government sector. In parallel, you continue to seek to provide better services to your communities against record inflation and a tight labour market, trying to navigate these conditions without exacerbating the cost-of-living challenges for communities.

Against this backdrop, we are pleased to have a suite of initiatives to support you in this environment. This includes work to improve participative democracy so that councils' better understand their community's needs. In the face of 3-waters specifically, and a constrained labour market generally, we will work with you to help improve the attraction and retention of critical skills.

Co-Lab will also change because of the 3-waters reform. The introduction of Entity B will impact on Co-Lab Water Services and RATA. The loss of Co-Lab Water Services in the forecast period leaves us facing a need to slightly increase member charges during the forecast period. However, we have worked hard over recent years to hold member charges at a constant level and we will do so again for the financial year to 30 June 2024. Beyond that we are already looking at ways we can keep anticipated increases to a minimum.

We believe Co-Lab has a bright future. The company is unique in New Zealand and places you in a great position to be an exemplar for local governance. The Future for Local Government interim report stated that to *ensure better value spend, minimise duplication, and get the best use of people and resources, more effective collaboration, innovation, and shared services are required.*

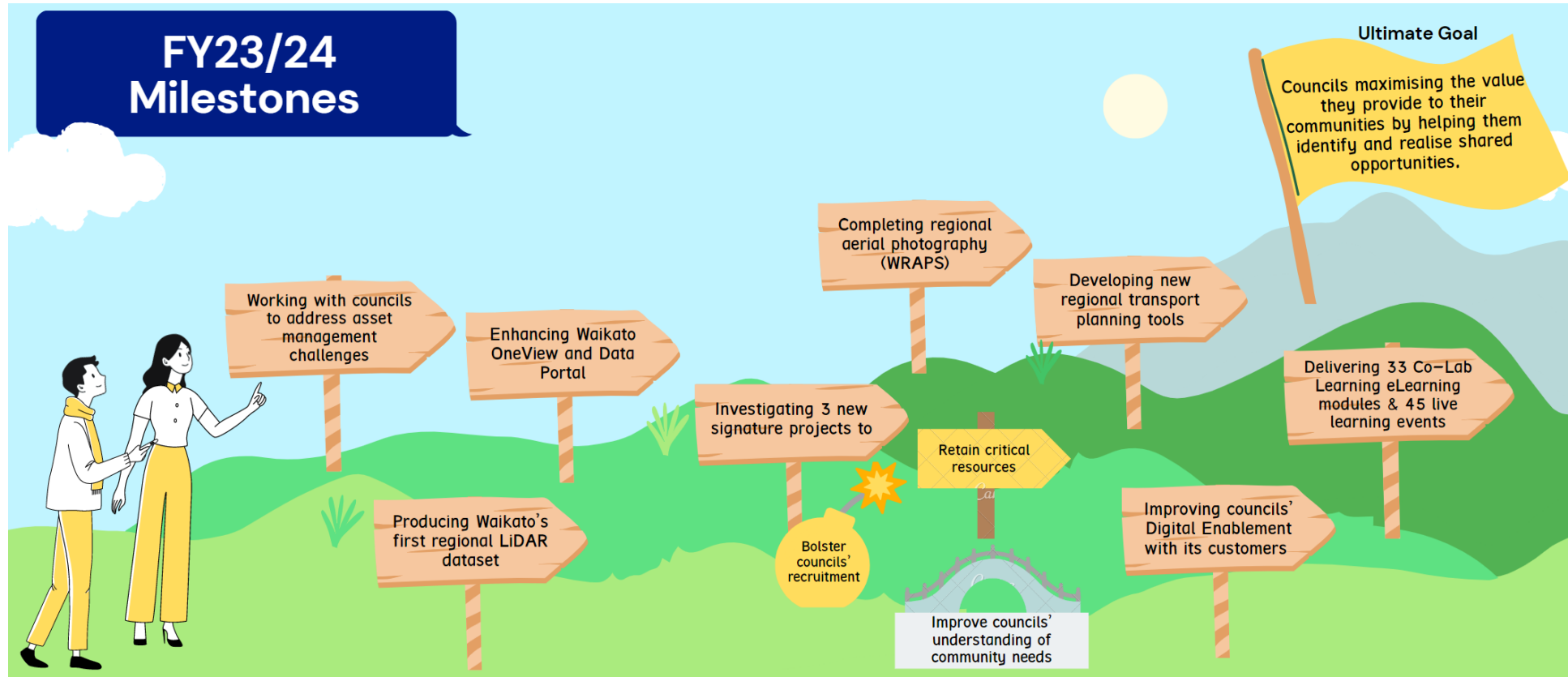
*"No matter what the future system design looks like, there needs to be greater collaboration across local government and increased use of shared services. The Panel considers that there are significant opportunities to deliver better value and ensure resources are applied to best effect, especially having shared information systems and support services in place. The Panel also believes there is great potential for central and local government to work more closely together to create a more joined-up public sector," – Jim Palmer, Chair, Future for Local Government Panel.*

Jim's words summarise not only what we *can* achieve together, but what we *must* achieve together.

As you prepare your Long-Term Plans, we ask you to make a conscious decision to create space for collaboration. We are faced with incredibly complex times ahead, but encourage you as a business owner of Co-Lab, to utilise its unique strengths to provide a return on your investment at a very low risk.

Yours Sincerely,  
Peter Stubbs  
Chair

## Sol milestones at a glance



Co-Lab's vision, purpose, and the outcomes we are seeking are set out in the company's performance framework in Appendix II.



## Intentions for FY2023/2024

### Focus areas beyond business as usual

Beyond the continuation of our signature projects and ensuring we deliver great services, there are four new areas of focus for the company in the coming year 1 July 2023- 30 June 2024. Work on some of these has commenced.

#### 1) Co-Lab Councils: Right People, Right Place (formerly Employee Value Proposition)

Councils are faced with challenges to attract and retain talent in an increasingly tight labour market and are all looking to appoint from the same talent pool.

This idea was a clear leader in our survey results and in discussions with councils' executive leadership teams. Discovery work is already underway which has included discussions with councils' People & Capability Managers. From that, we know that the opportunity to collaborate in this area is about how to attract people with the skills councils will need in the future to work in local government generally, and in our region more particularly. The project will include engagement with LGNZ and Taituarā as we don't want to duplicate what already exists.



Source: unsplash

#### 2) People Post 3 Waters (PP3W)



For some councils, the water reform creates a compelling moment to optimise capability and capacity across the region – the risk is that people are lost from the local government sector when they needn't be.

The Board has discussed an opportunity for councils to determine to what extent, and how, capable staff can be kept within the sector and region, notwithstanding the potentially significant internal changes that will arise for some councils because of the 3-waters reform. The opportunity will consider the benefits of a new delivery model that creates efficient resource centres of expertise for specialist skills that are required by councils and in high demand, but which may be in (increasingly) short supply.

#### 3) Democracy Centre of Expertise



Source: unsplash

Some councils have poor levels of engagement from their communities and varying levels of resource to analyse their communities' needs. The Board discussed developing capacity across the region to allow councils to undertake deliberative and participative democracy. Doing so should support building the public's trust in local government.

Other ideas which councils saw as being of significant value were a regional project management office and framework, and a business intelligence programme (which bears some relationship to the 'Democracy Centre of Expertise'). Co-Lab will progress these ideas as soon as capacity allows following consideration of the top three opportunities noted earlier.

#### 4) Low-Hanging Fruit

More recent discussions with councils have indicated a desire for Co-Lab to strike a balance by spending some time delivering projects that are not necessarily transformational, but still have scope to add value to councils through more immediate cost savings. We see these projects being characterised as delivering councils value but requiring little change within the councils. It could be as simple as councils leveraging what others are already doing.

Part of this stream of work will be developing a matrix of council activities to identify:

- Where councils (likely, particularly, the smaller councils), have skill gaps; and
- What councils are spending externally on these activities to see if there is opportunity to create efficiencies with that spend – either through the appointment of cross-council resource (i.e. bringing it "in-house"), or a joint procurement arrangement;

Our workplan will also look to build in some resource capacity to enable us to be more responsive in supporting unforeseen collaboration opportunities as and when they arise.

### Continuation of business as usual

We will be continuing to develop several opportunities signalled in the 2022 SOI. These are detailed in Appendix I. Similarly, we will continue to provide our schedule of shared services to partner councils. These are outlined in Appendix II.

## Financials

### Overview

This Statement of Intent, for the first time, reflects the impact of 3-Waters reform, albeit in the 2025/26 financial year (FY).

### Services

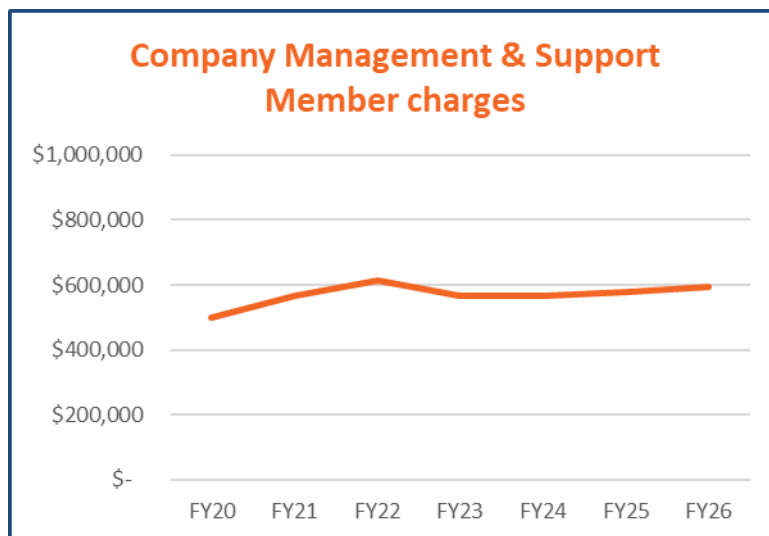
Revenue from services increases in FY2023/24 with this being the first full year of activity for Co-Lab Learning and Co-Lab Procurement support services.

From FY2025/26, services drop with Co-Lab Water Services and RATA (Waters) no longer being delivered because of the water reform.

### Member charges

In the past few years we have held member charges for core operating costs (company management and support (CMS)) relatively constant. We are again holding CMS charges at the same level as last year (which is less than had been projected in last year's SOI).

However, we need to signal that the expected loss of Co-Lab Water Services will likely necessitate future increases in these charges, although we believe we can keep these increases small for the foreseeable future. We are considering where there are opportunities to further reduce costs without undermining our ability to deliver value to you, and how we might otherwise increase revenue streams. Our goal remains to minimise the increase in member charges.



### Cashflow

We intend to draw on cash reserves to fund the small loss forecast in FY2025/26 (refer below). While doing so our financial position remains robust.

## Statement of Financial Performance

<b>Co-Lab</b>				
<b>Company Summary</b>				
<b>for the forecast financial years ended 30 June 2024-2026</b>				
	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Income</b>				
Company Management / Support	870,000	1,209,916	1,251,630	1,275,930
Working parties   projects	753,352	724,929	659,647	703,687
RITS	27,000	27,000	27,810	28,644
Information Technology	398,201	766,177	-	-
Energy Management	123,690	137,838	141,973	146,232
Shared Valuation Data Service (SVDS)	414,292	447,506	479,967	498,901
Road Asset Technical Accord (RATA)	2,015,899	1,504,614	1,524,643	2,110,962
Waikato Regional Transport Model (WRTM)	1,757,951	1,751,775	1,109,204	1,889,355
Waikato Building Consent Group	373,663	381,350	384,344	399,462
Waikato Mayoral Forum	5,000	5,000	5,000	5,000
Water Collaboration	685,092	493,988	491,984	492,509
Co-Lab Water Services	3,373,353	3,474,554	3,578,790	1,843,077
Co-Lab Learning	489,236	423,368	486,069	504,151
Procurement	268,600	325,000	334,750	344,793
Geospatial	64,623	69,170	71,245	73,382
Communications Resource	-	224,400	231,132	238,066
<b>Total Income</b>	<b>11,619,952</b>	<b>11,966,585</b>	<b>10,778,189</b>	<b>10,554,152</b>
<b>Operating Expenditure</b>				
Company Management / Support	1,203,186	1,507,208	1,590,349	1,689,306
Working parties   projects	753,352	724,929	634,647	653,687
RITS	27,000	15,600	16,068	16,550
Information Technology	395,455	666,474	-	-
Energy Management	123,690	137,838	141,973	146,232
Shared Valuation Data Service (SVDS)	325,893	309,151	318,426	327,979
Road Asset Technical Accord (RATA)	2,011,040	1,500,183	1,520,079	2,106,261
Waikato Regional Transport Model (WRTM)	1,757,951	1,722,615	1,080,044	1,860,195
Waikato Building Consent Group	373,663	381,350	384,344	399,462
Waikato Mayoral Forum	5,000	5,000	5,000	5,000
Water Collaboration	682,150	491,474	491,984	492,509
Co-Lab Water Services	3,134,485	3,236,070	3,333,152	1,716,573
Co-Lab Learning	444,760	473,159	490,685	509,859
Procurement	268,600	329,696	339,587	349,774
Geospatial	65,123	69,170	71,245	73,382
Communications Resource	-	224,400	231,132	238,066
<b>Total operating expenditure</b>	<b>11,571,349</b>	<b>11,794,318</b>	<b>10,648,716</b>	<b>10,584,835</b>
<b>Earnings before interest, tax and depreciation/ amortisation (EBITDA)</b>	<b>48,603</b>	<b>172,267</b>	<b>129,474</b>	<b>(30,683)</b>
<b>Depreciation / amortisation</b>				
Company Management / Support	31,554	41,665	43,748	45,936
WBCG	0	-	-	-
WRTM	14,583	29,160	29,160	29,160
<b>Total Depreciation / amortisation</b>	<b>46,137</b>	<b>70,825</b>	<b>72,908</b>	<b>75,096</b>
<b>Net Surplus (Deficit) before tax</b>	<b>2,466</b>	<b>101,442</b>	<b>56,565</b>	<b>(105,779)</b>

## Statement of Financial Position

<b>Co-Lab</b>				
<b>Financial Position</b>				
<b>for the forecast financial years ended 30 June 2024-2026</b>				
	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>CAPITAL</b>				
Shares - SVDS	1,607,001	1,607,001	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	1,350,000	1,350,000
Retained Earnings	(1,467,033)	(1,464,567)	(1,363,126)	(1,306,561)
Plus Current Year Operating Surplus/(Deficit)	2,466	101,442	56,565	(105,779)
<b>TOTAL CAPITAL FUNDS</b>	<b>1,492,434</b>	<b>1,593,875</b>	<b>1,650,440</b>	<b>1,544,661</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Prepayments	134,000	3,208	3,368	3,537
Accounts Receivable	580,998	598,329	538,909	527,708
Bank	2,164,346	2,234,551	1,991,565	1,988,703
GST Receivable / (Payable)	5,097	(25,840)	57,122	21,717
<b>TOTAL CURRENT ASSETS</b>	<b>2,884,442</b>	<b>2,810,248</b>	<b>2,590,965</b>	<b>2,541,664</b>
<b>NON-CURRENT ASSETS</b>				
WRTM - Intangible Asset	2,296,855	2,296,855	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	1,195	1,195
Accumulated Depreciation	(2,298,050)	(2,298,050)	(2,298,050)	(2,298,050)
IT Equipment & Office Furniture	150,132	180,466	180,466	180,466
Accumulated Depreciation - IT equipment & Office Furniture	(41,546)	(112,371)	(154,036)	(197,785)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>108,587</b>	<b>68,095</b>	<b>26,430</b>	<b>(17,318)</b>
<b>TOTAL ASSETS</b>	<b>2,993,028</b>	<b>2,878,343</b>	<b>2,617,395</b>	<b>2,524,346</b>
<b>LESS CURRENT LIABILITIES</b>				
Accounts Payable	1,415,383	1,167,965	874,139	859,719
Accounts Payable Accrual	32,173	33,782	35,471	37,244
Employee Benefits	53,038	82,721	57,345	82,721
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,500,594</b>	<b>1,284,468</b>	<b>966,955</b>	<b>979,684</b>
<b>NET ASSETS</b>	<b>1,492,434</b>	<b>1,593,875</b>	<b>1,650,440</b>	<b>1,544,661</b>

## Statement of Cashflows

<b>Co-Lab</b>				
<b>Statement of Cashflows</b>				
<b>for the forecast financial years ended 30 June 2024-2026</b>				
	<b>Budget 2022/23</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>
<b>Cashflows from Operating Activities</b>				
Interest Received	2,000	80,625	80,625	61,875
Receipts from Other Revenue	11,583,503	11,868,628	10,756,984	10,503,479
Payments to Suppliers	(11,999,086)	(11,879,652)	(10,966,390)	(10,572,274)
Taxes Paid	0	0	0	0
Goods & Services tax (net)	(200,365)	30,937	(82,962)	35,406
<b>Net cash from operating activities</b>	<b>(613,947)</b>	<b>100,538</b>	<b>(211,743)</b>	<b>28,485</b>
<b>Cashflows from Investing Activities</b>				
Capital enhancements	0	0	0	0
Purchase of PPE	(81,714)	(30,334)	(31,243)	(31,347)
Purchase of investments	0	0	0	0
<b>Net cash from investing activities</b>	<b>(81,714)</b>	<b>(30,334)</b>	<b>(31,243)</b>	<b>(31,347)</b>
<b>Net increase in cash, cash equivalents and bank accounts</b>	<b>(695,661)</b>	<b>70,205</b>	<b>(242,986)</b>	<b>(2,862)</b>
Opening cash and cash equivalents and bank overdrafts	2,860,007	2,164,346	2,234,551	1,991,565
<b>Closing cash, cash equivalents and bank accounts</b>	<b>2,164,346</b>	<b>2,234,551</b>	<b>1,991,565</b>	<b>1,988,703</b>

## Appendix I: Opportunity development projects

### Customer Digital Enablement (CDE)

The CDE programme underpins a progressive digital transformation of council services. It is about adding a digital means of engaging with council for those in the community who want to do so. The Customer Digital Enablement project identified its first initiative, “SR4” – an opportunity for councils to better engage with their communities digitally on sustainability, rubbish, and recycling.

On the journey to selecting SR4 as the first initiative, council staff identified many other opportunities to add value through digital engagement with your communities. From that, a roadmap has been created. It is hoped that Customer Digital Enablement will become an ongoing programme of work.

### Shifting Landscapes

Waikato councils are faced with significant central government reform: 3-waters, resource management and the Future for Local Government review (FfLG). Councils continue to grapple with what these changes will mean for their organisation, and what the organisation will look like when the changes are complete. This project began with a commissioned report, Community Needs Analysis, providing evidence-based qualitative data to inform councils’ submissions on the review.

Following a series of workshops with council chief executives, FY2023/24 work will focus on facilitating a new triennium agreement that will focus on regional collaboration, cogent long-term thinking, in the spirit of the FfLG report and with supporting programmes of work.

### Asset Management Centre of Expertise (AMCE)

Councils have told us that they are facing significant asset management challenges. Water reform is expected to lead to changes in some councils’ organisational structures and have an impact on the services that councils provide. The Co-Lab RATA team is already a proven centre of expertise in asset management and is well positioned to assist councils through its shared service model. In FY2022/23, the board commissioned a project to investigate how existing Co-Lab RATA capability could be increased and extended to other asset types and other asset management stages.

Subsequently six councils have indicated a desire to be involved and now jointly fund the project. These six councils are now assisting Co-Lab directly in investigating how RATA can best assist in the following areas of asset management:

- Community Asset Management (Parks, reserves, building and ‘other’ facilities) – work to date suggests this is the priority opportunity to support councils.
- Management and advisory services (assisting with analysis, valuations, renewal programmes, reporting and recommendations for improved practice).
- Joint procurement to reduce duplication in contract administration and take advantage of regional buying power.

### Building Consent Cadetship

The Waikato Building Consent Group (WBCG) commissioned an investigation into the establishment of a building consent cadetship scheme, building on the Building Consent Shared Service investigation. The opportunity is to establish a cadetship programme coordinated by Co-Lab that recruits and trains Building Control Officers in partnership with the WBCG councils.

The intent is that the cadets would be available to work in all WBCG councils, would help provide a stable pipeline of building consent staff to meet current and future needs, and reduce council expenditure. Planned work in FY2023/24 will be focused around implementation.

### **WRTM Governance & Management**

In June 2022, the Board supported a recommendation to investigate management and governance required to realise the full potential of WRTM. This investigation has commenced and participating councils have agreed that a full-time resource is required to manage the strategic relationships and work programme to realise the full potential of the model. Implementation will continue into FY23/24.

### **RATA Asset Valuations**

It was identified that there are inconsistencies in Asset Valuations stemming from poor assumptions of replacement costs and asset lives, leading to potential overcharging or underfunding.

Objectives for the project are:

- Develop the tools that enable repeatable, efficient, robust and consistent asset valuations, which support informed decision making.
- Greater level of confidence in the process – connecting of the asset management system and collaboration between engineers and finance teams.
- Ability to help other councils (resourcing) therefore creating resilience in the region.
- Assess the possibility of collaborative procurement for asset valuation services using the Co-Lab Asset Valuation Process.
- The Co-Lab Asset Valuation process is the process of choice for Co-Lab councils.

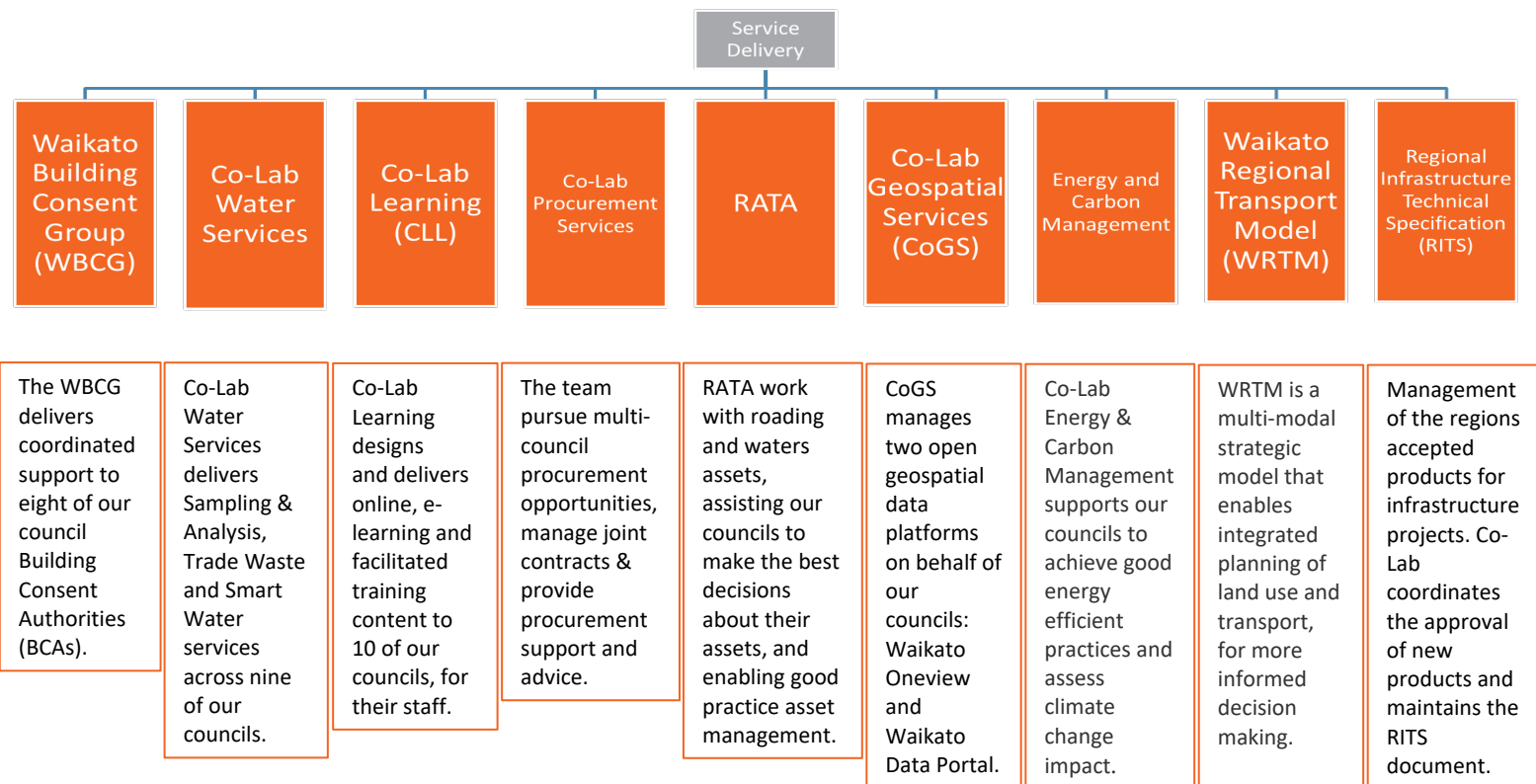
This is a three-year project and FY2023/24 will focus on the implementation phase of the project. With the uncertainty of Three Waters the governance group decided to pilot “transport” first, with other asset classes to follow.

### **Benefits realisation**

We will be undertaking an internal investigation to establish robust methodologies for measuring benefits, recognising there will always be qualitative benefits as well, and use this as the basis for improved reporting on the value you receive from Co-Lab. And if we don’t think an area is providing value, and doesn’t have a reasonable prospect of doing so, we will stop it.

## Appendix II: Nature & Scope of services

The principal initiatives operating under the Co-Lab umbrella are:



For more information on our services, please visit our website [www.colabsolutions.govt.nz](http://www.colabsolutions.govt.nz)



## Appendix III: Performance framework & measures



How we intend to measure our performance remains the same.

Priority	Performance measure	Target
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives	<ul style="list-style-type: none"> <li>➤ Business cases will include measurable benefits linked to one or more of the outcomes sought</li> <li>➤ Businesses cases are supported by councils (evidenced by take up of the opportunity)</li> </ul>	Projected savings/increased revenue to councils of at least \$300k  75% of councils
Develop opportunities and deliver projects within agreed budgets and timelines	<ul style="list-style-type: none"> <li>➤ Opportunities / projects are developed / delivered within agreed timelines</li> <li>➤ Opportunities / projects are developed / delivered, within approved budget</li> <li>➤ Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval</li> </ul>	80%  90%

Priority	Performance measure	Target
Ensure projects realise their expected benefits	<ul style="list-style-type: none"> <li>➤ Measurable benefits are actively monitored and reported against</li> <li>➤ Audit &amp; Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)</li> </ul>	<p>Six-monthly</p> <p>For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Assessment within 15 months 90% of projected quantifiable benefits are realised</p>
Ensure existing services are meeting the needs of councils	<ul style="list-style-type: none"> <li>➤ The services we provide are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):</li> </ul>	80% of councils
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice	<ul style="list-style-type: none"> <li>➤ Across these groups, ideas for future consideration and/or initiatives are identified each year</li> </ul>	Four per annum

- 1 Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery.
- 2 Time and cost targets for the development of opportunities and delivery of projects have been initially set based on what, in practical terms, are consider stretch goals, but achievable. However, we aspire to *always* better, or at least meet, timetables and budgets.

## Appendix IV: Governance

Co-Lab<sup>1</sup> is owned in equal portion by the 12 Waikato Local Authorities<sup>2</sup>:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Ōtorohanga District
- Rotorua Lakes
- South Waikato District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipa District
- Waitomo District
- Western Bay of Plenty District

The company has two fundamental roles:

- 1) It is a laboratory for developing opportunities that create value to councils, either by improving the experience of their communities or by making the councils themselves, collectively, more efficient and effective; and
- 2) It provides shared services to councils.

Co-Lab conducts itself in accordance with its constitution, its annual Statement of Intent, the provisions of the LGA and Co-Lab policies.

The Board is made up five council representative directors and an independent Chair. There is also a standing Audit & Risk Committee.

The current Directors of Co-Lab are:

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
Lance Vervoort	Hamilton City Council
Ben Smit	Rotorua Lakes and Ōtorohanga, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
Don McLeod	Hauraki, Matamata-Piako, Thames-Coromandel District and Western Bay of Plenty District Councils

Peter Stubbs' appointment as Independent Chair has been renewed for a further three years from 1 July 2022.

The independent Chair of Co-Lab receives director fees and reimbursed expenses. Directors representing the councils will not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

<sup>1</sup> Co-Lab is the newly established trading name of Waikato Local Authority Shared Services Ltd

## Appendix V: Policy Statements

### Statement of accounting policies

#### Reporting entity

Waikato Local Authority Shared Services Limited (“the Company”) is a Company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The company is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002 (LGA), by virtue of the shareholding councils’ right to appoint the Board of Directors.

The primary objectives of the Company are to:

- Develop opportunities that benefit the Waikato region's local authorities; and
- Act as a vehicle to deliver value-added services to those local authorities.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

### Summary of significant accounting policies

#### Basis of preparation

Financial statements are prepared on the going concern basis, and the accounting policies are applied consistently throughout the period.

#### Statement of Compliance

Financial statements are prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Financial statements are prepared in accordance with and comply with Tier 2 PBE Standards reduced disclosure regime (RDR). WLASS is eligible to report under the RDR as it:

- is not publicly accountable; and
- has expenses more than \$2 million, but less than \$30 million.

The accounting policies set out below are consistent with the prior year, other than the inclusion of policy:

- on operating leases, related to the lease of commercial premises;
- employees; and
- property, plant and equipment.

#### Measurement base

The financial statements are prepared on a historical cost basis.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated. The functional currency of the Company is New Zealand dollars.

#### Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statement.

Commitments and contingencies are disclosed exclusive of GST.

### **Critical accounting estimates and assumptions**

In preparing the financial statements the Company makes estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas requiring estimate or assumptions made that are considered to carry a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

#### **Intangible assets**

##### **Useful lives and residual values**

At each balance date the Company reviews the useful lives and residual values of its intangible assets. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires the Company to consider a number of factors such as the expected period of use of the asset by the Company and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life of residual value will impact the amortisation expense recognised in the income statement and carrying amount of the asset in the balance sheet. The Company minimises the risk of this estimation uncertainty by reviewing that the asset technology is still relevant and there is no alternative options to recreate the asset at a lower price.

##### **Impairment of intangible assets**

Intangible assets measure at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus deficit.

### **Revenue**

#### **Revenue**

Revenue comprises the fair value of the considerations received or receivable for the sale of goods and services, excluding GST, rebates and discounts and after eliminating sales within the Company. No provisions have been recorded as all revenue and trade receivables are expected to be received.

#### **Other Revenue**

Member charges for all activities are recognised when invoiced to the user (i.e. councils). The recorded revenue is the net amount of the member charges payable for the transaction.

Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. Until such time, contributions are recognised as liabilities.

## Operating expenses

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## Personnel costs

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

## Receivables

Short-term receivables are recorded at the amount due, less any provision for amounts not considered collectable.

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

## Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

### **Intangible assets Other financial assets**

Investments in bank deposits are measured at fair value plus transaction costs.

At each balance date the Company assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the income statement.

### **Payables and deferred revenue**

Short-term creditors and other payables are recorded at their face value

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

Contributions received for projects that were not completed in a financial year are recognised as deferred revenue until the Company provides, or is able to provide, the service for which the contribution was charged.

### **Employee benefits liabilities**

#### **Short-term employee entitlements**

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These includes salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

#### **Presentation of employee entitlements**

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### **Reconciliation of equity**

Equity is the shareholders interest in WLASS and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

### Contributed equity

Contributed equity is the net asset and liability position at the time the company was formed. The allocation of capital amongst shareholders is explained in this note.

### Retained earnings

Retained earnings is the company's accumulated surplus or deficit since formation.



**Document No:** A675693

**Report To: Council**



**Meeting Date:** 25 July 2023

**Subject:** **Adoption of Community and Partnerships Fund Policy**

**Type:** Decision Required

## Purpose of Report

- 1.1 The purpose of this business paper is to present to Council the revised Community and Partnerships Fund Policy for adoption.

## Background

- 2.1 The Community and Partnerships Fund Policy (the Policy), originally named the Community Development Fund Policy was first created in 2009 with review scheduled every three years as part of the Long Term Plan (LTP) developments. The Policy governs the dissemination of grants.
- 2.2 Council administers grants to assist community organisations and funding partners in providing projects, activities, services, and facilities that benefit communities within the Waitomo District. The grants are:
- Single-year Community Assistance Grant;
  - Multi-year Community Partnership Grant;
  - Community Events Fund; and
  - Community Hall Grants.
- 2.3 The Policy also covers the Council's role in distributing special grants, these are funds provided by Central Government (Sport NZ – Rural Travel Fund and Creative Communities Scheme) and provided as a bequest to the community (DC Tynan Grant).
- 2.4 The Policy allows Council to clearly document the way in which it delivers funding assistance to the community. The Policy needs to be transparent around distribution and accountability.
- 2.5 The total grant fund is considered by Council during development of the Long Term Plan and Annual Plan processes.
- 2.6 A further policy is in the development stage and will be presented to Council for consideration in the coming months. The proposed Council Lease Policy will govern the leasing of all Council property and will set the standard lease agreement and the standard practice charged for various property types.
- 2.7 The proposed policy will provide criteria and guidelines for WDC owned properties that are leased to community groups who provide social benefits to our communities. It is proposed that these groups will be charged market rental but be supported by receiving a community leases grant or similar to reduce the impact of the market lease. This grant will not require funding through the Community and Partnerships Fund Policy. Criteria will apply.

## Commentary

- 3.1 The following grant types are distributed under the Community and Partnership Fund Policy.

### 3.2 **SINGLE-YEAR GRANTS**

#### 3.3 COMMUNITY ASSISTANCE GRANT

3.4 Support is given to not-for-profit organisations who support community-led projects which align with the Council's plans and strategies.

3.5 Grants are provided for one-off projects or initiatives that will be completed within one year, they do not cover operational expenses. The Council meet to assess applications and determine the allocation of funds.

3.6 A small part of the fund is tagged to support hall hire applications from non-profit incorporated organisations and community groups. Applications for this non-contestable fund are assessed by staff. Criteria applies.

#### 3.7 COMMUNITY HALLS GRANT

3.8 Community Hall Grants are included in the Single-Year Grant category. These grants are distributed on an annual basis and are non-contestable.

#### 3.9 COMMUNITY EVENTS FUND

3.10 This fund is to support community events, with priority given to community organisations that wish to partner with WDC for the delivery of district events. Consideration is also given to community-led events or cultural celebrations open to wider community participation. Funding decisions are made by Council.

### 3.11 **MULTI-YEAR GRANTS**

#### 3.12 COMMUNITY PARTNERSHIP GRANT

3.13 Support is given to not-for-profit organisations who support community-led projects which align with the Council's plans and strategies.

3.14 Grants are provided for operational costs relating to services or facilities, but not to support capital projects. The contestable fund is allocated once every three years by the Council. Applicants need to demonstrate that they will:

- Strengthen participation across diverse communities
- Build the capability of communities to become sustainable
- Work collaboratively across the community sector

### 3.15 **ADMINISTRATION OF SPECIAL GRANTS**

#### 3.16 CREATIVE COMMUNITIES SCHEME

3.17 Twice a year, Creative Communities NZ (Crown entity) provides a grant for Council to distribute to the community for local art projects. The criteria, funding pool, and priorities for this is set by Creative Communities.

3.18 The assessment committee is made up of two councillors, one iwi representative, and up to eight community representatives. WDC provides administrative support.

#### 3.19 SPORT NZ RURAL TRAVEL FUND

3.20 Sport NZ (Central Government Agency) provide Council with an annual grant to disseminate to the community. The fund assists rural youth to travel to local sports competitions.

3.21 The assessment committee is made up of two Councillors, one Sport Waikato representative and one community representative. WDC provides administrative support.

#### 3.22 DC TYNAN FUND

3.23 The late Daniel Circuit Tynan left a bequest to Te Kuiti to support organisations involved in social, organisational, educational, or recreational activities. Priority is given to capital projects.

- 3.24 WDC provides administrative support associated with the funding application process, the funds are held and administered externally.
- 3.25 **PROPOSED AREAS FOR CHANGE WITHIN THE POLICY**
- 3.26 Proposed areas for change within the Policy were discussed with Council at a Workshop held on 27 June 2023. Attached to and forming part of this business paper is a copy of the draft Community and Partnerships Fund Policy, as amended.
- 3.27 **GENERAL REFORMATTING**
- 3.28 Reviewing the Policy is a good opportunity to move it to WDC's new policy template, this has included reformatting the Policy, adding a scope and making other minor changes.
- 3.29 **CATEGORIES**
- 3.30 The Policy outlines a range of grant categories, it has however been silent on hall hire subsidy contributions.
- 3.31 The attached draft policy proposes the introduction of a 'Hall Hire Subsidy Fund' category.
- 3.32 **TIMEFRAMES FOR ASSESSMENT OF SINGLE-YEAR AND MULTI-YEAR GRANTS**
- 3.33 Currently, the single-year grants open for application each year in July, which coincides every three years with the multi-year grant.
- 3.34 These timelines were discussed with Council, and it was agreed no changes to the timelines were required.
- 3.35 **ELIGIBILITY FOR EVENT FUNDING**
- 3.36 Priority for event funding has been with community organisations who seek to partner with WDC to deliver district events.
- 3.37 The Policy has been amended to remove this focus area and leave the event fund open for anyone wishing to run a community event.
- 3.38 **ELIGIBILITY FOR MULTIPLE GRANTS**
- 3.39 In the current policy, groups who have received assistance from one grant are not eligible for any others. This affects groups who may use WDC's multi-year grant to support their operational costs, who are then ineligible for event funding or a single-year grant for a project that same year.
- 3.40 This was discussed with Council, and it was agreed applicants may apply to WDC for more than one fund each year, but other funding received from WDC would be taken into consideration when assessing subsequent applications.
- 3.41 **REQUIREMENTS FOR PROJECT COMPLETION**
- 3.42 To provide greater clarity a further amendment is proposed for the Single-Year Community Assistance and Event Fund categories. The attached draft policy for these two categories states that failure to complete the project within the required timeframe will result in funding being reimbursed to WDC unless grounds for an extension are approved.
- 3.43 **COMMUNITY OUTCOMES**
- 3.44 The attached draft policy makes reference to Council's proposed new community outcomes which will come into effect 1 July 2024. Should wording for these outcomes change during development of the LTP, resolution 3 of this business paper recommends the Chief Executive be authorised to make any final editorial amendments to the policy.

## Analysis of Options

- 4.1 The Community and Partnerships Fund Policy is reviewed every 3 years in conjunction with the Long Term Plan development process.
- 4.2 At a Workshop held on 27 June 2023, Council reviewed the Policy and minor amendments were agreed, as attached.
- 4.3 The Policy is considered to be fit for purpose and will achieve desired outcomes.

## Considerations

- 5.1 **RISK**
- 5.2 No significant risks have been identified.
- 5.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**
- 5.4 This decision is consistent with existing plans and policies.
- 5.5 The Policy is consistent with the Council's vision of Waitomo – a vibrant district.
- 5.6 **SIGNIFICANCE AND COMMUNITY VIEWS**
- 5.7 This decision is not a significant decision in terms of Council's Significance and Engagement Policy.

## Suggested Resolutions

- 1 The business paper on Adoption of Community and Partnerships Fund Policy be received.
- 2 Council adopt the Community and Partnerships Fund Policy (Effective 1 July 2024).
- 3 The Chief Executive be authorised to make any final editorial amendments to the Community and Partnership Fund Policy document.



HELEN BEEVER  
**GENERAL MANAGER – COMMUNITY SERVICES**

July 2023

Attachment: Community and Partnerships Fund Policy

**DRAFT**

## **Waitomo District Council**

# **Community and Partnerships Fund Policy**

---

<b>First Adopted:</b>	August 2009
<b>Review History:</b>	August 2014, May 2018, September 2020, July 2023
<b>Date of Next Review:</b>	July 2026
<b>Responsibility:</b>	General Manager Community Services
<b>Adopted by:</b>	Council

## Contents

<b>INTRODUCTION   KUPU ARATAKI.....</b>	<b>4</b>
<b>PURPOSE AND SCOPE   TE ARONGA ME TE KORAHİ.....</b>	<b>4</b>
<b>DEFINITIONS   NGĀ WHAKAMĀRAMATANGA.....</b>	<b>4</b>
<b>POLICY   KAUPAPA HERE .....</b>	<b>6</b>
1. Funding Allocation .....	6
2. Decision Making .....	7
3. Eligibility criteria.....	7
4. Grant Misuse by Recipients .....	8
5. Application process .....	8
<b>SCHEDULE 1   Single-Year Community Assistance Grant .....</b>	<b>10</b>
1. Scope .....	10
2. Funding allocation.....	10
3. Funding priorities.....	10
4. Requirements .....	10
<b>SCHEDULE 2   Multi-Year Community Partnership Grant .....</b>	<b>11</b>
1. Scope .....	11
2. Funding allocation.....	11
3. Funding priorities.....	11
4. Requirements .....	11
<b>SCHEDULE 3   Community Events Fund .....</b>	<b>12</b>
1. Scope .....	12
2. Funding allocation.....	12
3. Funding priorities.....	12
4. Requirements .....	12
<b>SCHEDULE 4   Community Halls Grant .....</b>	<b>13</b>
1. Scope .....	13
2. Requirements .....	13
<b>SCHEDULE 5   Hall Hire Subsidy Fund.....</b>	<b>14</b>
1. Scope .....	14
2. Funding allocation.....	14
3. Funding priorities.....	14
4. Requirements .....	14
<b>SCHEDULE 6   Special Grants.....</b>	<b>15</b>
1. Creative Communities Scheme .....	15
2. Sport NZ – Rural Travel Fund .....	15
3. DC Tynan Grant .....	15

## INTRODUCTION | KUPU ARATAKI

Waitomo District Council (WDC) facilitates strong and sustainable partnerships to support improved social outcomes for our community.

The Community and Partnerships Fund Policy (the Policy) sets out the funding allocation process for assistance provided through grants to community organisations.

- 1.0 — ~~Waitomo District Council (WDC) seeks to facilitate and support strong and sustainable partnerships and to seek co-funding arrangements to support improved social outcomes for our community. This in turn supports WDC's Vibrant Safe Waitomo Strategy.~~
- 1.2 — ~~The focus of the policy is the provision of community assistance for the 'not for profit' sector in order to create a strong social base and to meet local needs.~~
- 1.3 — ~~This Policy sets out the funding and allocation process for assistance provided through grants to community organisations and community groups.~~
- 1.4 — This Policy does not apply to rates remissions, **lease grant**, or any other type of assistance provided by WDC.

## PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. The purpose of this Policy is to provide for fair and equitable distribution of WDC funding to assist organisations who deliver services that benefit communities within the Waitomo District. It ensures funding is distributed in a consistent, efficient, and effective manner which is transparent, fair, and accountable.
  - 2.1 — ~~The purpose of this policy is to establish funding policies and principles, which form the basis for the provision of funding grants to assist organisations and funding partners who provide projects, activities, services and facilities that benefit communities within the Waitomo District.~~
  - 2.2 — ~~This policy provides a guide as to how funding can be obtained from WDC and assists Elected Members and WDC staff with guidance when making decisions and recommendations about funding applications.~~
  - 2.3 — ~~This policy ensures the distribution of funding:
 
    - occurs in a consistent, efficient, effective manner; and
    - is transparent, fair and accountable.~~
2. The scope of this Policy is to outline the community and partnership funds which WDC administers and the eligibility criteria for each. The Policy determines the process by which these funds are distributed.
3. This Policy is applicable to the following grants:
  - a) Single-Year Community Assistance Grant
  - b) Multi-Year Community Partnership Grant
  - c) Community Events Fund
  - d) Community Halls Grants
  - e) Hall Hire Subsidy Fund
  - f) Special Grants

## DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

**Capital Expenditure** Expenditure that will provide benefits to the applying organisation for periods greater than one year and considered an asset to the organisation.

**Community Events Fund** An annual contestable fund to support community organisations that may wish to partnership with Council for the delivery of district events.



<b>Community Organisations</b>	A not-for-profit <a href="#">organisation</a> whose primary objective is to provide programmes, services or activities that benefit the social, cultural, and environmental wellbeing of communities in the Waitomo District. <a href="#">A community organisation must have a legal structure as defined below.</a>
<b>Contestable Fund</b>	Applications are invited during scheduled funding rounds, with publicly advertised opening and closing dates. Any eligible organisation has an equal opportunity to be considered for a grant. Clearly defined processes will be applied to all applications. Final allocation decisions are made in a public forum.
<b>Financial Reserves</b>	These are cash reserves held by an organisation which are not tagged for any specific expense.
<b>Legal structure</b>	To be eligible for funding, community groups must have a legal structure. These can include incorporated societies, trusts, charitable trusts, and Māori trust boards.
<b>Long Term Plan 10-Year Plan</b>	Council's adopted Long Term Plan (LTP) as defined by the Local Government Act 2002.
<b>Multi-Year Partnership Grant</b>	<del>A Multi-Year contestable fund. Multi-Year Partnership Grants have a term of 3 years, aligning with the Long-Term Planning cycle.</del>
<b>Single-Year Community Assistance Grants</b>	<del>An annual contestable fund.</del>
<b>Umbrella Organisation</b>	An umbrella group is usually a larger, incorporated organisation which can provide resources and backing to smaller groups that work in a similar area or share similar goals.
<b>WDC's Community Outcomes</b>	WDC's community outcomes are determined by the Council as part of the Long Term Planning process. These outcomes form the Council's vision and priorities over the next ten years.

## ~~4.0~~ Community Outcomes

~~4.1~~ The Community Development Fund (CDF) aims to ensure that projects undertaken make a positive contribution to achieving WDC's strategic community outcomes.

~~4.2~~ The following community outcomes contribute to the Community Development Activity. [\[moved to 1.2\]](#)



### **A prosperous district**

We will continue to enable a thriving and sustainable economy.



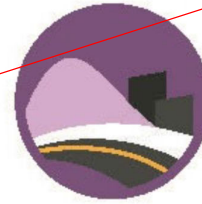
### **A district for people**

We welcome all to a district that is accessible, safe, affordable, and inclusive. We promote health, wellbeing and participation.



### **A district that cares for its environment**

We plan for the wise use and management of all land and resources, now and for future generations.



### **A district that works with you**

We work with you to collectively focus on the right things at the right time for the greater benefit of the District.

[new LTP outcomes below]

## **POLICY | KAUPAPA HERE**

### **1. Funding Allocation**

- 1.1 The total funding assistance provided to the community through grants and funding, in accordance with this Policy, is confirmed by the Council at the adoption of the **Long Term Plan (LTP)**. ~~10 Year Plan.~~
- 1.2 Funding should be made available to organisations or projects which are making a positive contribution to the Community Outcomes confirmed by Council at the adoption of the LTP:

#### **A district for all people**

Our district is a great place to live because it is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.

#### **A prosperous district**

We enable a thriving and sustainable economy to create greater benefits for everyone.

#### **A district that values culture**

We value the whakapapa of our district, and we promote cultural, creative, and recreational activities where traditions, heritage, and arts are celebrated.

#### **A district that cares for its environment**

We ensure the wise use and management of all land and resources now and for future generations.

### **5.3 Grants**

5.4 This Policy comprises of the following contestable grants:

- ~~→ Single Year Community Assistance Grant~~
- ~~→ Multi Year Community Partnership Grant~~
- ~~→ Community Events Fund~~ [moved to scope]

## 2. Decision Making

- 2.1 Grants will be awarded through a contestable process (excluding Community Halls Grants, **Special Grants, and the Hall Hire Subsidy Fund – refer Schedules 4, 5 and 6**). This process is the best process to enable decision-makers (i.e. ~~elected members~~) to compare the relative merits of the funding applications they receive and to allocate grants from the funding pools as fairly as possible.
- 2.2 In this context contestable means that:
- a) applications are invited during scheduled funding rounds, with publicly advertised opening and closing dates.
  - b) any eligible organisation has an equal opportunity to be considered for a grant.
  - c) clearly defined processes will be applied to all applications.
  - d) final allocation decisions are made in a public forum.

## 3. Eligibility criteria **[new heading]**

- 3.1 WDC grants are available for application by community organisations who align with, or contribute to, WDC's Community Outcomes.
- 3.2 **Applicants may apply to WDC for more than one fund each year, but other funding received from WDC will be taken into consideration when assessing subsequent applications.**

### ~~5.17~~ **Eligible Applicants**

~~5.18 Non-profit incorporated organisations (including Charitable Trusts, Trusts, Incorporated Societies) and Maori Trust Boards. These groups are referred to collectively as 'community organisations'. Most community organisations have a formal legal structure and founding documents (e.g. a constitution). [replaced with 3.1, definition provided in definitions]~~

~~5.19 To be eligible for funding, one application per annum, per community organisation will apply. [replaced with 3.2]~~

### 3.3 **Legal structure**

3.4 Groups with no formal legal structure may apply for grants via nominating an 'umbrella' non-profit incorporated organisation which has agreed to receive and administer the grant on their behalf. The umbrella organisation would be legally accountable to WDC for the expenditure of the grant. **[was 5.21 and .22 in previous policy]**

### 3.5 **Financial reserves**

3.6 It is acknowledged that it is prudent for organisations to carry financial reserves for their operations. However, if an organisation is carrying reserves greater than a year of operating expenses with funding not tagged for specific projects, Council ~~may not~~ **might not** approve a grant to the organisation or group.

### ~~5.13~~ **Level of Financial Reserves**

~~5.14 It is acknowledged that it is prudent for organisations to carry financial reserves for their operations. However, if an organisation is carrying reserves greater than a year of operating costs with funding not tagged for special projects, Council may not approve a grant to the organisation or group.~~

### 3.7 **Ineligible applicants** **[5.22 in previous policy]**

3.8 The below groups are ineligible for any WDC administered grants:

- a) For-profit groups

- b) Individuals
  - c) Political organisations
  - d) Social clubs
  - e) Internal applicants
  - f) Other local authorities, government agencies or public sector entities
- 3.9 WDC grants will not fund education-based activities which should, in the view of a reasonable person, be the responsibility of their primary funder e.g. Ministry of Education. The fund only supports projects sponsored by education providers where there is a clear general community benefit that will be derived from such a project. [5.20 in previous policy]

#### 4. Grant Misuse by Recipients

- 4.1 Grants are to be spent in accordance with the purpose for which they are allocated.
- 4.2 Failure to account for the use of a past grant will be sufficient cause for any subsequent application to be declined.
- 4.3 Using a past grant for any purpose other than that approved, may result in future applications being declined.
- 4.4 WDC reserves the right to request the repayment of any funds allocated to a group or organisation where grant misuse is identified.

#### ~~5.8 Grant Misuse by Recipients~~

- ~~5.9 Grants are to be spent in accordance with the purpose for which they are allocated.~~
- ~~5.10 Failure to account for the use of a past grant will be sufficient cause for any subsequent application to be declined.~~
- ~~5.11 Using a past grant for any purpose other than that approved may result in future applications being declined.~~
- ~~5.12 WDC reserves the right to request the repayment of any funds allocated to a group or organisation where grant misuse is identified.~~ [text retained; formatting changed to section 4 above]

#### 5. Application process [new heading, 5.23 in previous policy]

- 5.1 All applications:
  - a) Must be made via the appropriate WDC Application Form.
  - b) Be fully completed with all accompanying information attached.
  - c) Must be submitted before the closing date.
- 5.2 Incomplete or late applications will be deemed ineligible and therefore not considered for funding.
- 5.3 All applications to the Single-Year and Multi-Year Grants must include the following: [5.26 in previous]
  - a) Proof of incorporation (or support from an umbrella organisation).
  - b) The applicant's latest annual financial accounts.
  - c) Verified bank account details for the applicant.
- 5.4 In addition to the above, ~~Multi-Year Partnership Grants will be subject to providing further supporting documentation~~ any other information required as outlined in the relevant application form.

#### ~~5.15 Funding Considerations~~

- ~~5.16 Applications will be considered that:~~
  - ~~→ Align and support WDC's Community Outcomes~~ [moved to 3.1]

- ~~· Contribute to and support the Vibrant Safe Waitomo Strategy [removed]~~
- ~~· Strengthen participation across diverse communities [only relevant to multi-year events]~~
- ~~· Work collaboratively across the community sectors [only relevant to multi-year events]~~
- ~~· Facilitate and support strong and sustainable partnerships [only relevant to multi-year events]~~

## SCHEDULE 1 | Single-Year Community Assistance Grant

### 1. Scope

- 1.1 Waitomo District Council's Single-Year Community Assistance Grant focuses on providing assistance for community organisations that support community led projects. These projects are aligned with Council plans and strategies and contribute to the social, cultural, economic, and environmental wellbeing of communities in the Waitomo District.
- 1.2 Priority for funding will be given to community organisations that are delivering projects in collaboration with other organisations.
- 1.3 The Single-Year Community Assistance Grant is for one-off projects or initiatives that will be completed within the 12-month period after receiving the grant.

### 2. Funding allocation ~~Single Year Community Assistance Grant~~

<b>When can I apply?</b> Indicative timeline	Fund Opens: 1 July Fund Closes: 1 August
<b>When will I know?</b> Applicants advised	Applicants will be advised in September or October
<b>How much can I apply for?</b> Funding allocation	Up to a maximum of \$10,000

- 2.1 Applications for the Single-Year Community Assistance Grant are assessed by the Council.

### 3. Funding priorities ~~What can be funded?~~

- 3.1 The following costs will be considered for funding:

- a) Resources that support the project or organisation
- b) Programme development and implementation
- c) Applications for capital projects may be accepted for grant requests over \$2,000

- 3.2 The following will not be considered for funding: ~~What will not be funded?~~

- a) Projects that have commenced or have been completed
- b) Loan/debt repayment
- c) Wages or salaries
- d) ~~Where the applicant has received a Multi Year Community Partnership Grant~~
- d) Organisations with outstanding projects from previous funding rounds

### 4. Requirements ~~What are the requirements that will have to be met?~~

- 4.1 A Grant Agreement between WDC and the successful applicant will be in place where the grant value exceeds \$5,000. Conditions of the grant will be outlined in the Agreement.
- 4.2 Projects must be completed within a 12-month period from receiving the grant.
- 4.3 Successful applicants will be required to complete an accountability report upon completion of the project.
- 4.4 Failure to complete the project within the 12-month period ~~may~~ will result in funding being reimbursed to WDC, unless grounds for an extension are approved.

## SCHEDULE 2 | Multi-Year Community Partnership Grant

### 1. Scope

- 1.1 Waitomo District Council's Multi-Year Community Partnership Grant supports ~~not-for-profit~~ **community** organisations whose work aligns with Council plans and strategies and contributes to the social, cultural, economic, and ~~and community well-being of the Waitomo District.~~ **environmental wellbeing of communities in the Waitomo District.**
- ~~1.2 The Multi-Year Community Partnership Grant supports community organisations that offer services or facilities that make a significant contribution and improved well-being in the Waitomo District.~~
- 1.2 The Multi-Year Community Partnership Grant is for a three-year period.

### 2. Funding allocation ~~Multi-Year Community Partnership Grant~~

<b>When can I apply?</b> Indicative timeline	Fund Opens: 1 July Fund Closes: 1 August
<b>When will I know?</b> Applicants advised	Applicants will be advised in September or October

- 2.1 **Applications for the Multi-Year Community Partnership Grant are assessed by the Council.**

### 3. Funding priorities ~~What will be funded?~~

- 3.1 Operational costs relating to services or facilities that complement WDC's Long Term Plan objectives.
- 3.2 **The following costs will not be considered for funding: ~~What will not be funded?~~**
  - d) Capital projects
  - e) Loan/debt Repayment

### 4. Requirements ~~What are the requirements that will have to be met?~~

- 4.1 Applicants will need to demonstrate within the application process how they will:
  - a) Strengthen participation across diverse communities,
  - b) Build the capability of communities to become sustainable, and
  - c) Work collaboratively across the community sectors
- 5.2 Applicants must have a proven record of accomplishment in their area of service and previous history of service delivery.
- 5.3 Applicants must be financially sustainable and be able to demonstrate a history of working collaboratively with other organisations.
- 5.4 A Grant Agreement between WDC and the successful applicant will be in place. Conditions of the grant will be outlined in the Agreement.

**SCHEDULE 3 | Community Events Fund**

**1. Scope**

1.1 Waitomo District Council’s Community Events Fund supports community led events and cultural celebrations that create opportunities to build and celebrate community pride and for the community to connect and celebrate.

**2. Funding allocation ~~Community Events Fund~~**

<b><del>When can I apply?</del> Indicative timeline</b>	Fund Opens: 1 July Fund Closes: 1 August
<b><del>When will I know?</del> Applicants advised</b>	Applicants will be advised in September or October

2.1 Applications for the Community Events Fund are assessed by the Council.

**3. Funding priorities ~~What will be funded?~~**

3.1 Costs relating to the delivery of community events, where the event is to take place within the Waitomo District.

3.2 **The following costs will not be considered for funding: ~~What will not be funded?~~**

- a) Capital costs
- b) Loan/debt Repayment
- c) Applications for events that have already taken place

**4. Requirements ~~What are the requirements that will have to be met?~~**

4.1 A grant agreement between WDC and the successful applicant will be in place. Conditions of the grant will be outlined in the agreement and will include health and safety requirements **where applicable.**

4.2 **Events must be held within 12-months from receiving the grant.**

4.3 **Successful applicants will be required to complete an Accountability Report upon completion of the event.**

4.4 **Failure to hold the event within the 12-month period ~~may~~ will result in funding being reimbursed to WDC, unless grounds for an extension are approved.**



**SCHEDULE 4 | Community Halls Grant —~~Non-Contestable~~****1. Scope**

- 1.1 Council currently supports ~~12-13~~ community halls within the Waitomo District by way of an annual grant, with each hall receiving \$1,000. Hall grants are paid in August of each year and are non-contestable.
- 1.2 Community Halls that receive funding are:
- a) Aria
  - b) Awakino
  - c) Benneydale
  - d) Kinohaku
  - e) Mahoenui
  - f) Mairoa
  - g) Marokopa
  - h) Mōkau
  - i) Mokauiti
  - j) Mapiu
  - ~~k) Te Anga~~
  - l) Waitanguru
  - m) Rangitoto

**2. Requirements**

- 2.1 An accountability report is required to be submitted annually by June of the following year. Hall Committees/Trusts are required to report on expenditure of the grant.

## SCHEDULE 5 | Hall Hire Subsidy Fund

### 1. Scope

- 1.1 Waitomo District Council Hall Hire Subsidy Fund focuses on providing financial assistance for community organisations that support community led projects and initiatives. These projects and initiatives must be aligned with Council's adopted plans and strategies and contribute to the social, cultural, economic, and environmental wellbeing of communities in the Waitomo District.

### 2. Funding allocation

- 2.1 This fund is available to community organisations to apply for a subsidy towards hall hireage fees. Applicants are advised to apply at least two weeks prior to proposed hire date.
- 2.2 Following assessment of the application, WDC may grant a full or partial contribution to the hall hireage fee. A community organisation may be granted up to two subsidies per year.

Indicative timeline	Applicants are advised to apply at least two weeks prior to proposed hire date.
Applicants advised	Applicants will be advised within one week of submitting the application.

### 3. Funding priorities

- 3.1 The fund is available for the hireage of the following WDC owned buildings:
- a) Les Munro Centre
  - b) Piopio Memorial Hall
  - c) Te Kuiti Railway Station Buildings
- 3.2 The fund is not available for the following:
- a) Private hall hire.
  - b) Hall hire which has commenced or been completed at time of application.
  - c) Organisations with overdue accountability reports from other WDC grant funding.

### 4. Requirements

- 4.1 Following confirmation of a WDC venue booking, applicants must complete the 'Waitomo District Council Hall Hire Subsidy' form at least two weeks prior to the hireage date.
- 4.2 Applicants should ensure any accountability reports due for other WDC funding have been submitted.

## SCHEDULE 6 | Special Grants

The following grants are administered by WDC on behalf of external organisations.

### 1. Creative Communities Scheme

- 1.1 Creative Communities NZ provides a grant to Council to encourage promotion of the arts within the district. Organisations may apply to Council's Creative Communities Scheme Assessment Committee for funds based on the criteria supplied by Creative Communities NZ. The fund's objective is to support arts and cultural activities that encourage participation in a wide range of arts activities.
- 1.2 WDC administers two Creative Community Scheme funding rounds per year. They fall in May and November of each year. The Creative Communities Scheme Assessment Committee consists of two Councillors, one iwi representative and up to 8 eight community representatives. WDC provides administrative support.

### 2. Sport NZ – Rural Travel Fund

- 2.1 Sport NZ provides a grant to Council.
- 2.2 The fund's objective is to assist youth within the district living in a rural area with the cost of travel to local sports competitions.
- 2.3 The allocation of the fund is based on a population density formula for territorial authorities that have fewer than 10 people per square kilometre.
- 2.4 WDC administers one Sport NZ Rural Travel Fund per year. This falls in October each year. Applications to the Sport NZ Rural Travel Fund are determined by an Assessment Committee which comprises of two councillors, a community representative, and a representative from Sport Waikato. WDC provides administrative support.

### 3. DC Tynan Grant

- 3.1 The late Daniel Circuit Tynan left a bequest to the Borough of Te Kuiti for the purpose of supporting organisations within the Te Kuiti Urban Ward that are involved with social, cultural, educational or recreational activities. The priority of this funding is given to projects of a capital nature.
- 3.2 The funds of the Trust are held and administered by Forgeson Law and WDC provides the administrative support associated with the funding application process. Applications are considered by the DC Tynan Trust Committee.
- 3.3 The income from the Trusts capital investment is available for distribution. Distribution occurs in July/August each financial year.

**Document No:** A668199

**Report To: Council**



**Meeting Date:** 25 July 2023

**Subject:** **Community and Partnerships Activity Update Report**

**Type:** Information Only

### **Purpose of Report**

- 1.1 The purpose of this business paper is to update Council on activities that form part of the Community and Partnerships Group.
- 1.2 The business paper also provides an update on a range of council recreation services and activities.

### **Background**

- 2.1 At its meeting of 28 February 2023, Council adopted a new reporting framework detailing bi-monthly financial reporting and Council group activity reporting.
- 2.2 A reporting schedule was agreed, with Infrastructure and Community reporting on the same bi-monthly agenda.
- 2.3 The Community and Partnerships report incorporates commentary and its activities, along with commentary on the Aquatic Centre, Libraries, Les Munro Centre, Stadium and Emergency Management.

### **Community Support and Development**

- 3.1 The Community Support and Development group of activities incorporates Safe Communities, Community Grants, Youth Engagement, Events and Emergency Management.
- 3.2 **CURRENT ACTIVITY**
- 3.3 **Community Development Fund Policy - Grants**
- 3.4 The following grants opened for application on 1 July 2023 and will close at 5pm on 1 August 2023:
  - Single-Year Community Assistance Grant (for one-off projects or initiatives that will be completed within a 12-month period).
  - Community Events Fund (for community organisations who wish to partner with WDC for delivery of district events and/or community-led events or cultural celebrations open to wider community participation).
  - DC Tynan Grant (supporting organisations within the Te Kuiti Urban Ward that are involved with social, cultural, educational or recreational activities). WDC provides administrative support.
- 3.5 **Mayors Taskforce for Jobs**
- 3.6 The Mayors Taskforce for Jobs (MTFJ) programme continues to achieve excellent outcomes. For the fiscal year 2022-2023 the aim was to locally accomplish at least 50 Sustainable Employment Outcomes. Due to the success of this mahi WDC received extra funding for a further 40 placements for the year ending 30 June 2023.

- 3.7 As at 30 June 2023 a total of 91 placements were achieved.
- 3.8 Following the Government's 2023/2024 budget announcement on 18 May 2023, funding of this programme for a further two years has been confirmed. The funding amount has however reduced when compared to previous years.
- 3.9 **Matariki – Te Whitu o Matariki**
- 3.10 The Dawn Service was held on Friday 23 June 2023 at Te Kūiti Pā with over 150 people in attendance.
- 3.11 The Community Day was held on Saturday 24 June 2023 at the Les Munro Centre. This was well attended by the community, with a lot of positive feedback received.
- 3.12 **Bikes in Schools**
- 3.13 The Sport New Zealand Tū Manawa funding of \$50,000 has enabled WDC to support the Waitomo Bikes in Schools initiative. The purchase of bicycles, accessories and two trailers has been completed. This will enable the schools to transport a total capacity of 40 bicycles, or 35 plus the adaptive bike.
- 3.14 Upon confirmation of delivery, the assembly of the bikes will be coordinated to enable an opportunity to promote Waitomo Bikes in Schools and the relationship between Council, Waitomo Arotahi Kāhui Ako, Ride 9, and Sport NZ (Sport Waikato). A qualified bike vendor has been assigned to assemble the bikes with delegated school staff, students and WDC representatives assisting. Once completed all items will be gifted to the Waitomo Arotahi Kāhui Ako (Waitomo Schools).
- 3.15 **Enviroschools Programme**
- 3.16 The Enviroschool Programme supports and empowers children and young people to plan, design and implement sustainability actions that are important for them and their communities.
- 3.17 There are currently 6 schools within the district signed up to Enviroschools, with a reach of 345 students through years 1-6.
- 3.18 The annual contribution provided by Waitomo District Council supports the facilitation of the programme to achieve several outcomes for the district, schools, and young people including:
- Cultural, social and economic sustainability
  - Waste reduction and zero waste
  - Biodiversity and biosecurity action
  - Water health and conservation
  - Kai production and distribution
  - Energy conservation and action
  - Ecological building action
- 3.19 Rangitoto School carried out 'start-of-year' vision mapping in order to embed Enviroschools and Education for Sustainability as part of the school's curriculum for the year. Work throughout the year has now led Rangitoto School to adopt a goal for this year to become an active Enviroschool.
- 3.20 **Mahi Expo**
- 3.21 The 2023 Mahi Expo was held on 26 June 2023 at the Les Munro Centre. This was a collaboration with MTFJ, Number 12, Aotahi and MSD to plan an engaging expo that would be hands-on and showcase to our community all the employment opportunities available.
- 3.22 Over 30 employers, businesses and providers were in attendance for the day, showcasing what they had to offer with a range of interactive activities.
- 3.23 Attendance was good with students from our local high schools, MSD and MTFJ clients and members of the general public attending.

### 3.24 **Emergency Management**

3.25 The Western Waikato Council's partnership with Waikato District Council and TOA Consulting, to provide Response and Resilience Plans for the four Council Districts is progressing well. Regular meetings have been held and good progress has been made with the writing of the plan. The next phase are two workshops which includes Waitomo staff as part of the wider Western Waikato Shared Service collective, together with key outside stakeholders. These two workshops are planned for 16 and 17 August 2023.

3.26 Day 1 of the workshop will focus on evacuation planning, with day 2 focusing on waste management in response and recovery.

3.27 Staff training across the Western Waikato group over recent months has included 24 staff trained in Foundation, 8 in Intermediate, 2 in Operations, 4 in Incident Management, 2 in Lifelines and 6 in Public Information Management. This has included both Council and utilities staff.

### 3.28 **Emergency Management – Recovery**

3.29 Some of the initial lessons learnt from the major storm related events around the country have started to emerge. While we have many systems in place there is always room for review or update. The first area for review was the preparedness levels of qualified building and structures assessors and how they are managed and deployed into an impacted emergency environment. A draft Waitomo District Building Assessment Plan and an Operational Building Response Manual have been developed.

### 3.30 **RISKS AND OPPORTUNITIES**

3.31 Due to reduced funding, there is a risk that the number of sustainable employment outcomes for the Mayors Taskforce for Jobs will decline.

3.32 The Waitomo District Building Assessment Plan and Operational Building Response Manual will support safe and efficient management of people, processes and critical documentation that occurs during the response and into the recovery phase from an emergency management perspective.

### 3.33 **LOOKING FORWARD – THE NEXT 3 MONTHS**

3.34 Assessment of grant applications to the DC Tynan Trust, Single-year Community Assistance Grant and Community Events Fund.

3.35 Vibrant Waitomo Community Connectors Inaugural Meeting.

3.36 Consultation with the community on a signature event.

3.37 Review of Council's Citizens Awards Policy.

3.38 Chorus cabinet art programme.

3.39 Working with all council building services team, and any other departments that will be impacted by storm events, to streamline the processes and resources of the Waitomo District Building Assessment Plan and Operational Building Response Manual. Both projects will then be tested.

3.40 National Shakeout Day is scheduled for 19 October 2023. The Western Waikato Emergency Management Team are looking at a plan to publicise and raise awareness of this important day.

<b>District Promotion / Development</b>
---

4.1 The District Promotion / Development group of activities incorporates Economic Development, Visitor Information Centre, District and Regional Promotion and Sister City.

#### 4.2 **CURRENT ACTIVITY**

#### 4.3 **Waitomo Housing Strategy**

4.4 The housing strategy was adopted by Council at the 27 June 2023 meeting. The strategy is scheduled to be officially launched in mid-August 2023. The launch will include:

- All previous workshop attendees will be invited to a presentation of the completed strategy (Les Munro Centre).
- Introduction of the Waitomo Housing Taskforce.
- Media release on Council social media and copies of strategy available.

4.5 A WDC webpage will be developed providing key information and links to partner organisations and funding opportunities.

#### 4.6 **Air Shed Funding**

4.7 The roll-out of the Airshed Education Campaign 2023 has commenced and is led and funded by Waikato Regional Council (WRC). WRC has allocated a total of \$17,000 of funding towards the education campaign which will consist of:

- Direct mail and brochure flyer on burning dry wood with link to video and accompanying letter.
- Social media campaign including a survey to gain information on current awareness and behavior. The survey also has a prize of firewood included.

4.8 Although the campaign is focused on residents living within the Te Kuiti Air Shed, the education campaign will be promoted on WDC media platforms to reach a wider audience.

#### 4.9 **RISKS AND OPPORTUNITIES**

4.10 To successfully deliver the Housing Strategy outcomes, engagement and investment from key stakeholders is essential. There is a risk that some stakeholders elect to 'not be involved' during the life of the strategy.

#### 4.11 **LOOKING FORWARD – THE NEXT 3 MONTHS**

4.12 Waitomo Housing Strategy launch. Proposed mid-August 2023.

4.13 Successful roll-out of the Airshed Education Campaign 2023.

4.14 Project planning - Better Off Funding Gateways Project and Centennial Park Concept Development Plan.

4.15 Discussions with Sport Waikato on sport club collaboration opportunities.

<h3><b>Customer Services and Library</b></h3>
---

#### 5.1 **CURRENT ACTIVITY**

#### 5.2 **Relocation of Customer Services**

5.3 The WDC Customer Service Centre building work is due to be completed on 28 July 2023. There has been a delay in some building materials arriving, which has resulted in a later completion date.

5.4 The Customer Services team have been located at Railway Building 3 since the middle of May 2023. This has been well received by customers, as the location is central and easily accessible.

## 5.5 **Library Services**

5.6 The Library provided excellent content for children during the recent school holidays. For many years, the Library held a reading programme for children twice a year to help promote literacy. Staff noticed a gradual decline in the number enrolling in this programme and decided to try something new over these holidays. A six-week programme was created, combining STEM challenges with literacy. 30 packs were created for children who wanted to sign up. All packs were taken up within the first week. Children had to visit the library three times during the six-week period to inform a staff member about what they had been making and reading. The target was a 70% completion rate.

5.7 Also during the holidays, staff ran three other programmes:

1. "When I Grow Up" - a collaborative storybook. All of the children have contributed artwork to one of the following projects. I want to be, do, see, learn, try, or go when I grow up. Positive feedback was received and there are a lot of pictures to share. Staff hope to publish all of the drawings, where written permission from the parents has been received, in a photobook that will become part of the library's local author collection.
2. A Matariki treasure hunt in which the children found clues around the library, answered some Matariki legend questions, and entered a prize draw.
3. A wish upon a star art session for children. All the stars will be hung in the children's area of the library following the holidays. A total of 109 entries were submitted at these events.

## 5.8 **RISKS AND OPPORTUNITIES**

5.9 There are no immediate identified risks with this activity.

## 5.10 **LOOKING FORWARD – THE NEXT 3 MONTHS**

5.11 The opening of the new Waitomo District Council Customer Service Centre, combining Customer and i-Site services.

5.12 In-depth process review of WDC's Service Request system.

<h2><b>Council Recreation Services</b></h2>
---

6.1 Council Recreation Services incorporates the Waitomo Aquatic Centre, Les Munro Centre, and Gallagher Recreation Centre.

## 6.2 **CURRENT ACTIVITY**

### 6.3 **Gallagher Recreation Centre**

6.4 The Centre continues to be a popular destination for many in the community. With winter weather now here, schools and sports teams are realising the opportunities available at the Centre. As of 12 July 2023 the membership number was 352.

6.5 The basketball fraternity has just completed their first local competition. There are plans in place to hold a second tournament which may include teams from outside of the district.

6.6 Mini-Ball will soon make an appearance at the Centre. Dates and times are to be confirmed.

6.7 Futsal has proved to be a popular activity at the Centre on Monday nights. When the current round is complete, a two-week break will take place, and a second round will then commence.

6.8 A mixed netball competition is due to commence on 18 July 2023. To date, 11 teams have entered.



- 6.9 The King Country Rugby Academy is rotating between Taupo and the Gallagher Recreation Centre to cater for young local rugby talent.
- 6.10 The "fit for 50's +" class is now in full swing. Due to the popular response two classes per week are now available.
- 6.11 **Online Halls System**
- 6.12 The online halls system had a soft launch on 1 July 2023.
- 6.13 Regular users had been contacted prior to the launch and shown how to check facilities for availability, and how to book online.
- 6.14 There are a couple of fee structuring issues that are still being worked through. Once these are working correctly, a promotional launch will take place.
- 6.15 **RISKS AND OPPORTUNITIES**
- 6.16 There is a risk that due to technology access constraints, some people may prefer a paper-based option for completing hall booking forms.
- 6.17 **LOOKING FORWARD – THE NEXT 3 MONTHS**
- 6.18 Promotional launch of the Online Halls System.
- 6.19 Ongoing advertising and promotion of the Gallagher Recreation Centre by the Belgravia Team, with the development of new programs and activities for the community.

### **Human Resources**

- 7.1 For the period 1 April 2023 to 25 July 2023 WDC has been successful in recruiting the following positions:
- Financial Accountant
  - Management Accountant
  - Graduate – IT Business Analyst
  - Infrastructure Services Systems – Administrator (Fixed Term)
- 7.2 At the time of writing this business paper, 3 positions remain vacant: Community Services Administrator, Environmental Technician and Manager – Programme Delivery.

### **Suggested Resolution**

The business paper on Community and Partnerships Performance Reporting be received.



HELEN BEEVER  
**GENERAL MANAGER – COMMUNITY SERVICES**

18 July 2023

**Document No: A666151**

**Report To: Council**



**Meeting Date:** 25 July 2023

**Subject:** **Infrastructure Services Group Activity Update Report**

**Type:** Information Only

### **Purpose of Report**

- 1.1 The purpose of this business paper is to update Council on activities that form part of the Infrastructure Services Group.

### **Background**

- 2.1 At its meeting on 28 February 2023, Council adopted a new reporting framework detailing bi-monthly financial reporting and Council group activity reporting.
- 2.2 A reporting schedule was agreed, with Infrastructure and Community reporting on the same bi-monthly Agenda, and Business Support and Leadership / Governance and Regulatory reporting on the other month.
- 2.3 The Infrastructure Services report provides commentary on activities and operational projects covering three waters, roading, waste management, housing and other property.
- 2.4 The report provides relatively high-level detail and will provide commentary on significant, not 'business as usual' matters.
- 2.5 Each sub-group will cover the following:
  1. **Current Activity** - This narrative will cover operational projects, any further narrative on Capex projects not covered in the bi-monthly financial report, issues, and operational topics in these activities.
  2. **Risk and Opportunities** that are important to note.
  3. **Looking Forward** - What is happening in the next 1-3 months to give a picture of what is coming up.

### **Roads and Footpaths**

- 3.1 The Roads and Footpaths group of activities incorporates maintenance and renewal of the road surface, pavement, footpaths and other roading assets such as bridges and structures.
- 3.2 **CURRENT ACTIVITY**
- 3.3 The Mokau Toilet Associated Works contract has been awarded to Cambridge Excavator Limited. Physical works will start in October so that sealing of the parking areas can happen as the weather warms.
- 3.4 **CYCLONE RECOVERY**
- 3.5 In February 2022, July-August 2022, and January 2023 the region was struck by severe adverse weather. The initial response works have been completed, and works are now well underway with some significant contracts.
- 3.6 View Terrace in Piopio has been completed. Kopaki Road retreat is almost completed. The work at Mangatoa Road was started in May 2023 with one site being completed last financial year, and the remaining three are to be completed early this financial year.

- 3.7 The design for Taumatatotara West Road is completed and is currently at procurement stage.
- 3.8 Design and investigation work is completed for the July-August Storm Event and a funding application of approximately \$3.8M was recently submitted to Waka Kotahi.
- 3.9 Further damage to the roading network was incurred during the Auckland Anniversary storm event. The initial clean up works were funded at 100% through Waka Kotahi. Design and investigations for these sites will be undertaken during the 23/24 financial year. This is likely to attract additional funding from Central Government as part of the Cyclone Gabrielle recovery package.
- 3.10 **CONTRACT RENEWAL/EXTENSION**
- 3.11 A procurement plan for the new Road Maintenance and Reseals contract is on hold awaiting the outcomes of the legally required Section 17A review which is almost complete. The delivery model proposed will have a collaborative approach between WDC, the Contractor and the Consultant. The current contract expires in July 2024.
- 3.12 Work is progressing to develop a new maintenance contract document and market analysis of potential tenderers. Current work includes the new schedule of quantities, and a procurement plan is also in the development stages. A draft expression of interest process is being prepared for later in August 2023.
- 3.13 **ACTIVITY MANAGEMENT PLAN**
- 3.14 A draft Activity Management Plan (AMP) is being developed to provide a high-level plan for the next ten years. The AMP will incorporate details from the next National Land Transport Program (NLTP). This will give an indication to Waka Kotahi of what funding will be required in the near and distant future.
- 3.15 The draft AMP will be presented to council on 12 December, before being submitted to Waka Kotahi for approval.
- 3.16 A key focus of the draft AMP will be on roading infrastructure resilience and structures. A paper was submitted to a council workshop on 9 May discussing possible funding limitations and a further update was done during the Council meeting on 11 July.
- 3.17 **RISK AND OPPORTUNITIES**
- 3.18 Indications are, there is an increasing likelihood of more regular and more intense weather events which will affect the region going forward. These types of events interrupt scheduled work programs and potentially push jobs into the next financial year.
- 3.19 Expected increases in inflation and material prices will be reflected in contractors' rates. This is of particular relevance with the new Maintenance Contract coming up for tender next year. There is a strong interest in the rebid of this contract.
- 3.20 **LOOKING FORWARD – THE NEXT 3 MONTHS**
- 3.21 Cyclone recovery emergency works are ongoing.
- 3.22 Maintenance Contract Renewal is well underway and ready to be finalised for release towards the end of 2023.
- 3.23 The Piopio carpark and Benneydale sealing projects are funded from the Better-off Funding budget, these are in the procurement stage.
- 3.24 The AMP is well underway with the aim to be finalised towards the end of 2023.
- 3.25 The Speed Management Plan draft was presented to Council at a workshop on 30 May for review and the next phase is to release it for public consultation from 24 July 2023.

## Three Waters

- 4.1 The Three Waters group of activities includes drinking water, wastewater and stormwater, management of treatment plants and the reticulation network. This section will also cover a summary of transition activities relating to the three waters reform.
- 4.2 **THREE WATERS REFORM**
- 4.3 The draft AMP sent by Entity B on 3 July 2023 is currently being reviewed. The proposed Level of Services and performance measures are also being reviewed.
- 4.4 The next set of data migration will focus on customer data. DIA has also started discussions on the billing data and processes.
- 4.5 **CURRENT ACTIVITY**
- 4.6 **DRINKING WATER**
- 4.7 The Te Kuiti Water Resilience Project is progressing with the procurement plan completed and approved. Road and land access to and near the Hetet Reservoir is currently being arranged with the nearby landowners. Consultants for scope design have been appointed to commence soon.
- 4.8 The new 2022/24 Three Waters Renewals contract has been awarded to Cambridge Excavators Civil. The renewal project for Lusk and Butler Streets in Te Kuiti will be completed this week. The renewal project for Moa and Tui Streets in Piopio will start in August this financial year (2023/24).
- 4.9 Resource consent to take water and discharge waste from the Piopio Water Treatment Plant has been submitted to Waikato Regional Council for approval.
- 4.10 An independent external water specialist has been engaged to carry out a water quality audit for all our treatment and reticulation systems. This is a legislative requirement by Audit NZ.
- 4.11 **WASTEWATER**
- 4.12 The target of 160 tonnes of dredged sludge from the Te Kuiti Wastewater Treatment ponds was achieved last financial year. For the financial year 2023/24, the target is 1000 tonnes.
- 4.13 The King Street West sewer main renewal has been completed.
- 4.14 The 2022/24 Three Water Renewals contract was awarded to Camex Civil with Seddon Street to be completed in this financial year.
- 4.15 Alexander Street, Te Kuiti relining has been completed by Pipetech (Camex Civil).
- 4.16 Plans to start carrying out preventative inspections and maintenance at the end of this month on all sewer pump station assets and treatment plant mechanical assets.
- 4.17 **STORMWATER**
- 4.18 The 2022/24 Three Water Renewals Contract was awarded to Camex Civil and Edward Street, Te Kuiti renewals have been completed.
- 4.19 The Stormwater project on Carrol Street, Te Kuiti has been awarded to McIndoe Group. Currently waiting for the State Highway Traffic Management Plan to be approved before commencing.
- 4.20 Continue to monitor and mitigate Te Kuiti's Stormwater Reticulation network after medium and heavy rainfall events. This proactive work has been noticed by the community and we have received positive feedback.
- 4.21 The team has started planning works for the renewal of the District wide comprehensive stormwater consent as the current one expires in July 2024.

4.22 **RISK AND OPPORTUNITIES**

4.23 It is predicted that there will be an increased likelihood of stormwater flooding in Te Kuiti and other towns due to the predicted increase in frequency and severity of storm events in the future.

4.24 Improve unaccounted water loss by initiating a leak detection program at Piopio water reticulation networks this financial year 2023/24, subject to budget constraints. This may be requested by Waikato Regional Council as a condition of our water take consent.

4.25 **LOOKING FORWARD – THE NEXT 3 MONTHS**

4.26 Start inflow investigations soon and continue over the next 6-9 months. This will involve visiting all the properties in Te Kuiti and identifying illegal downpipes connected to the wastewater system. The low gully traps that get flooded will also be identified. The stormwater manholes will be inspected for blockages and media communications released before visiting the properties.

4.27 The critical stormwater inlets that require grills or domes will be identified. The physical work will be carried out this financial year 2023/24.

<b>Waste Management</b>
-------------------------

5.1 The waste management activity incorporates landfill, kerbside collections, and transfer station operations.

5.2 **CURRENT ACTIVITY**

5.3 The landfill's financial viability and risks is still under review. The financial outcome of this review will be discussed with Council. The new cell development, high wall stabilisation and gas flaring projects are still on hold while the review is underway.

5.4 A kerbside rubbish, transfer station and landfill Audit has recently been undertaken. The Audit determines the composition of Council's kerbside rubbish bag collection, transfer station and landfill collections. The final document is still pending.

5.5 A Waste Assessment (WA) and Waste Management and Minimisation Plan (WMMP) is in the preliminary stages for Waitomo District Council.

5.6 The WA is a technical document which details our current situation, determines where Council wants to be by identifying visions, goals, objectives and targets, and developing options for meeting future demand.

5.7 The WMMP includes a summary of the waste situation, along with goals, objectives and targets, an action plan with detailed information about activities to achieve the objectives and targets and how they will be carried out and resourced.

5.8 The above documents will require public, as well as Council consultation.

5.9 **RISK AND OPPORTUNITIES**

5.10 The kerbside collection contract ends 1 May 2024. There is a risk that any new contract will cost significantly more for a like-for-like service due to the escalation of operational costs. The end of the contract does provide Council with an opportunity to review the level of service and consider changes.

5.11 There is consideration of extending the contract to 30 June 2025 to align with neighboring councils to collaborate and work under one contract. If extended this will allow WDC to review all collections and recycling.

5.12 Ministry for the Environment (Mfe) has stated, if councils work together there is a potential of receiving 75% funding for waste minimisation, which includes food waste, green waste,

recycling and collections. An application for a feasibility study has been submitted to Mfe and we are currently awaiting a decision.

5.13 **LOOKING FORWARD – THE NEXT 3 MONTHS**

- 5.14 Funding is in the beginning stages and is being sourced by the Property and Facilities team through the Waste Minimisation Fund for a feasibility study to support better separation of materials, particularly organics (food).

**Property and Other Facilities**

- 6.1 The property and other facilities activity covers parks and reserves, public amenities, residential and elder housing, library, i-Site, Railway and Admin buildings, aerodrome and camping grounds.

6.2 **CURRENT ACTIVITY**

- 6.3 The i-Site refurbishment and fit-out contract is almost complete, there are some small variations to the contract still to take place.

- 6.4 The Te Kuiti Aquatic Centre pool repaint will commence in July. This is to include soda blasting, crack repair and painting which will be done under confinement. Soda blasting is a process that uses baking soda as an abrasive to remove existing paint and surface contaminants from the pool.

- 6.5 Mokau old toilet block is closed for renovations, this work will include sealing of the floor and painting, quotes are being sourced to determine the extent of renovations required.

- 6.6 New park tables are being installed on Rora Street. These are to replace the painted benches which will be repurposed to the coastal communities. This will greatly benefit those communities.

6.7 **RISK AND OPPORTUNITIES**

- 6.8 There is a risk the crack repair and painting of the Aquatic Centre will not be completed before 1 October 2023 as this work is weather dependent.

- 6.9 There is a risk that the I-Site variations could take longer than expected, causing a delayed opening date.

6.10 **LOOKING FORWARD – THE NEXT 3 MONTHS**

- 6.11 Standardised signs for all transfer stations and landfills are currently being designed.
- 6.12 The service to provide the painting of both pools at the Te Kuiti Aquatic Centre will start within the next two months. This work will include 150 meters of crack repair.
- 6.13 Signboard/signage development will continue through Motakiora and the new and upgraded trails out to the Mangaokewa Reserve as part of the 'Better-off' Funding Project, this is yet to commence.

**Suggested Resolution**

The business paper on Infrastructure Services Group Activity update report be received.



SHYAMAL RAM  
**GENERAL MANAGER – INFRASTRUCTURE SERVICES**

17 July 2023

**Document No:** A678172**Report To: Council****Meeting Date:** 25 July 2023**Subject:** **Motion to Exclude the Public for the Consideration of Council Business****Type:** Decision Required**Purpose**

- 1.1 The purpose of this business paper is to enable Council to consider whether or not the public should be excluded from the consideration of Council business.

Note: It is Council's choice whether to consider any of the items listed below in the public or public excluded portion of the meeting.

**Commentary**

- 2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives the right, by resolution, to exclude the public from the whole or any part of the proceedings of any meeting, only on one or more of the grounds contained within that Section.

**Suggested Resolutions**

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
1. 2023 Residents Survey	Section 7(2)(a) protect the privacy of natural persons, including that of deceased natural persons.	Section 48(1)(a)(1)

- 3 Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Strategy and Environment	Portfolio Holder
Manager – Strategy and Environment	Portfolio Holder
Senior Strategy and Policy Advisor	Portfolio Holder

- 4 This resolution is made in reliance on Section 48(1)(a) 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 relevant part of the proceedings of the meeting in the public.

A handwritten signature in blue ink, appearing to read "Michelle Higgie".

MICHELLE HIGGIE  
**MANAGER – GOVERNANCE SUPPORT**