

Document No: A606160

Report To: Council



Meeting Date: 29 March 2022

Subject: Presentation – Waitomo Caves Discovery Centre – Reporting against Multi-Year Community Partnership Grant Agreement

Type: Information Only

Purpose

- 1.1 The purpose of this business paper is to advise that Dr Bridget Mosley, Museum Director, Waitomo Caves Discovery Centre will attend the meeting via Zoom at 9.00am to present and speak to the Waitomo Caves Discovery Centre's Multi-Year Community Partnership Grant Agreement.

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 Waitomo Caves Museum (WCM) supports arts, culture and heritage in the Waitomo District by operating a museum which focuses on the Waitomo areas community, landscape, environment and history.
- 2.3 The 2021-2024 Partnership Grant Agreement between Waitomo District Council and WCM provides that WCM will report to Council twice a year with a focus on the key performance indicators below:
- To provide counter/phone enquiry and booking activities for visitors to the Waitomo Village;
 - To provide and maintain a website, distribute brochures and provide signage and advertising that promotes the Waitomo Caves Discovery Centre;
 - To develop and promote the existing museum;
 - To provide training to local guides on the Waitomo District attractions;
 - To participate in regional and local tourism groups and advocate for Waitomo Caves and the Waitomo District;
 - To provide information relating to the heritage of the Waitomo Caves region;
 - To archive, document and store items of heritage value;
 - To provide the Ministry of Education Learning Experiences Outside The Classroom programme; and
 - To provide access to public facilities including four public toilets, one of which will be open 24 hours per day, and access to 3 rubbish receptacles through the grounds.

Suggested Resolutions

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

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HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

Document No: A606325

Report To: Council



Meeting Date: 29 March 2022

Subject: **Presentation: Hamilton & Waikato Tourism – Six Monthly Report**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to advise Council that Nicola Greenwell, Development Manager and Interim General Manager of Hamilton & Waikato Tourism will attend the meeting via Zoom at 9.15am to present and speak to the HWT Six Monthly 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 and 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 – Six Monthly Report be received.

A handwritten signature in blue ink, appearing to read "H. Beever".

HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

Attachment: Hamilton & Waikato Tourism Six Monthly Report

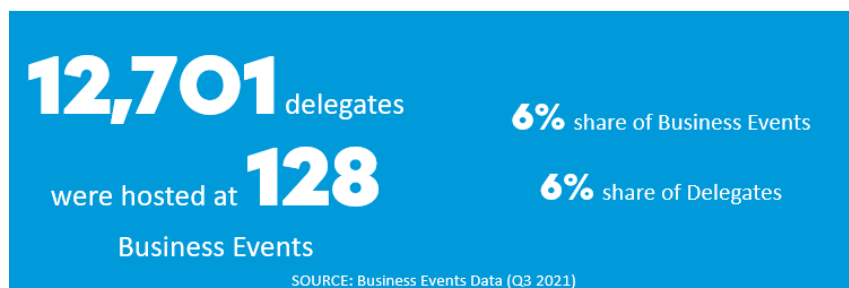
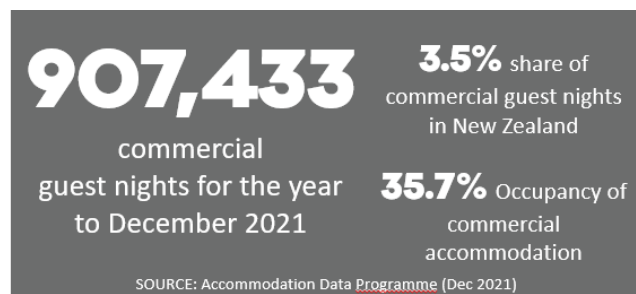
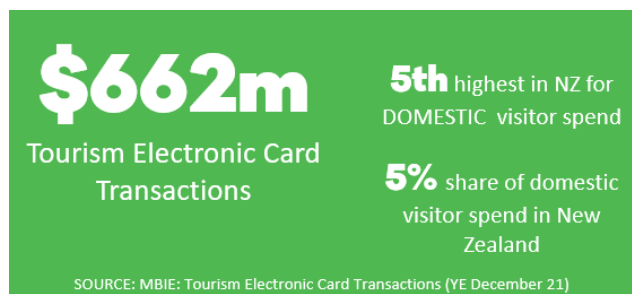
Six Monthly Report to Waitomo District Council 1 July – 31 December 2021

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 its new Chair in December 2021. Chief executive Jason Dawson finished with Hamilton & Waikato Tourism in January 2022 and Nicola Greenwell has been appointed Interim General Manager until a replacement CEO has been secured.

HWT is funded through a public/private partnership with the region's tourism industry and six local authorities including Hamilton City and Matamata-Piako, Ōtorohanga, Waikato, Waipā and Waitomo. This is the six-monthly report from 1 July to 31 December 2021.

Key highlights (Jul – Dec 2021)



Executive summary

The first six months of the financial year presented more trading challenges and a difficult market environment given the arrival of the Delta variant in New Zealand. This led to a second national lockdown, an extended lockdown for our biggest drive market Auckland and the Waikato itself was impacted with alert level changes. We are now grappling with the challenges of operating in the red traffic light setting with the arrival of Omicron in the community.

With the return of lockdowns and alert level challenges, we reactivated the successful 'Mighty Local' campaign to promote essential services, hospitality providers and contactless/home delivery channels. The core purpose of 'Mighty Local' is to raise awareness, promote and drive residents to 'buy and shop local' within their local communities.

Outside of lockdowns and alert levels, we still managed to deliver a number of key marketing activities including event promotion around Matariki and regional events. We managed to execute a winter and school holiday campaigns in our key domestic markets. We also ran a small 'Welcome Back Auckland' campaign once the borders were reopened between the two regions.

Media activity has accelerated during the six months as travel writers are hungry for content for the domestic market. This has allowed us to leverage the opportunity and window of interest with our domestic media to really push the Waikato region, plus the more undiscovered areas, experiences and communities. We also partnered with Stuff in December to produce a 48-page 'Waikato Escapes' print supplement into the Waikato Times locally and the Sunday Star Times nationally. New Zealanders are self-explorers who are inspired by other people's travel experiences, including travel writers.

Our digital marketing platforms continue to grow from strength to strength, especially visitation to our main regional website www.waikatoz.com and our Facebook page. We also launched social media 'stickers' to promote the region on Instagram and Facebook. User have been quick to engage and use these 'Mighty Waikato' stickers on their digital stories.















Print marketing is still a strong medium for our organisation and for the domestic traveller. We successfully partnered again with Hamilton Central Business Association on a new edition of the Neat Places guide, plus produced 50,000 copies of our Regional Visitor Guide. Our guides are 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 cheaper advertising sales funding production and distribution.

We completed the first round of funding from the \$3.75m Thermal Explorer Regional Events Fund, launched our Food Tourism Action Plan, developed our Draft Destination Management Plan and also developed a Draft Regional Business Events Strategy.

Finally, all our additional marketing and industry development activity is making an impact. The Waikato was recently being identified as one of two regions to record the largest market share increase for domestic visitors over the past 12 months (from 10 percent to 13 percent).

Performance targets

Given the ongoing Covid-19 impacts for the visitor economy, Hamilton & Waikato Tourism (HWT) have seven performance targets which are set in the 'Schedule of Services for Local Government 2021-2022'. The results are provided below.

Measure	Result						
 Visitor nights Hold total visitor nights compared to previous year as measured by MBIEs Accommodation Data Programme (ADP)*	 907,433 visitor nights (Jan 2021 to Dec 2021) 35.7% occupancy (NZ: 34.2%) <small>*No comparison figures available in ADP</small>						
 Visitor spend 0% increase in total visitor spend across region compared to previous year as measured by MBIEs Tourism Electronic Card Transactions	 3% increase on previous year \$662million annual electronic card transactions (year ending Dec 2021) DOMESTIC Annual Spend 6% more than 2020 and 2% less than 2019.						
 Conventions & business events Rebuild and restore market share of total business events to 5% as measured by the Business Events Data Programme	 6% market share of business events & 6% of delegates (Q3 2021)						
 Industry investment \$100,000 of industry contributions towards marketing activities	 \$79,230 (\$68,000 Visitor Guide sales) <small>(As at 31 December 2021)</small>						
 Media & travel trade 10 media outlets hosted + 150 travel trade trained or hosted	 <table style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">52</td> </tr> <tr> <td style="text-align: center;">media outlets hosted</td> <td style="text-align: center;">agent hosted</td> <td style="text-align: center;">agents trained</td> </tr> </table> <small>(As at 31 December 2021)</small>	2	1	52	media outlets hosted	agent hosted	agents trained
2	1	52					
media outlets hosted	agent hosted	agents trained					
 Govt funded projects Successfully deliver STAPP and RESET funded projects	 58% of funding allocated/spent						
 Regional Events Fund (REF) Successfully deliver year one of the REF for Waikato, Rotorua, Ruapehu & Taupo	 First round of Regional Event Fund distributed; second round of EOIs closed 1 March 2022; two industry capability workshops delivered						

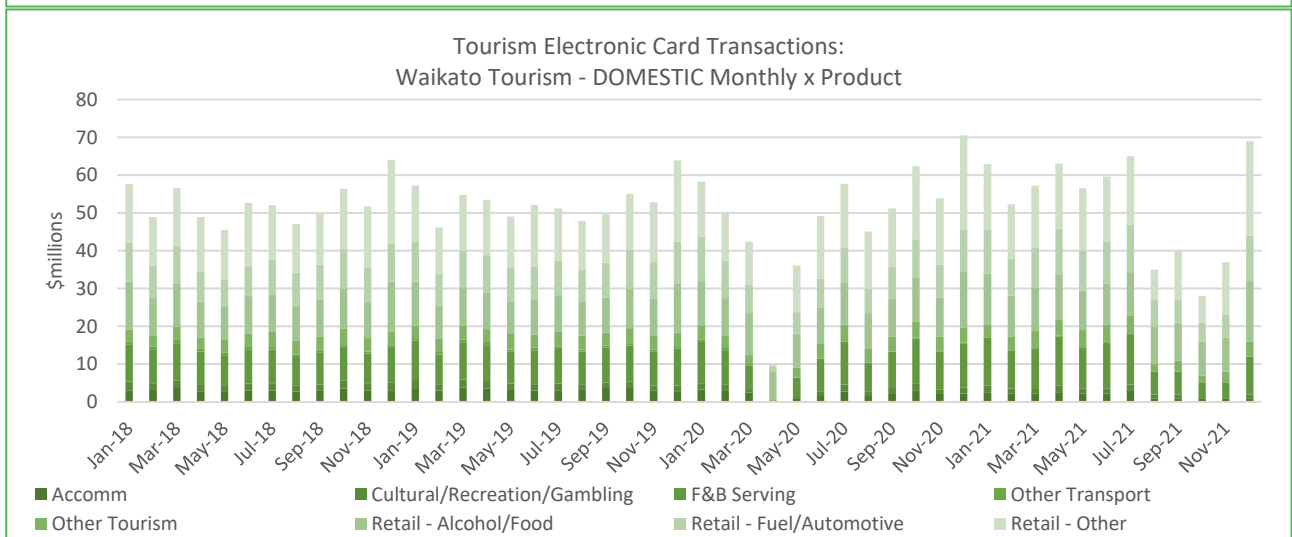
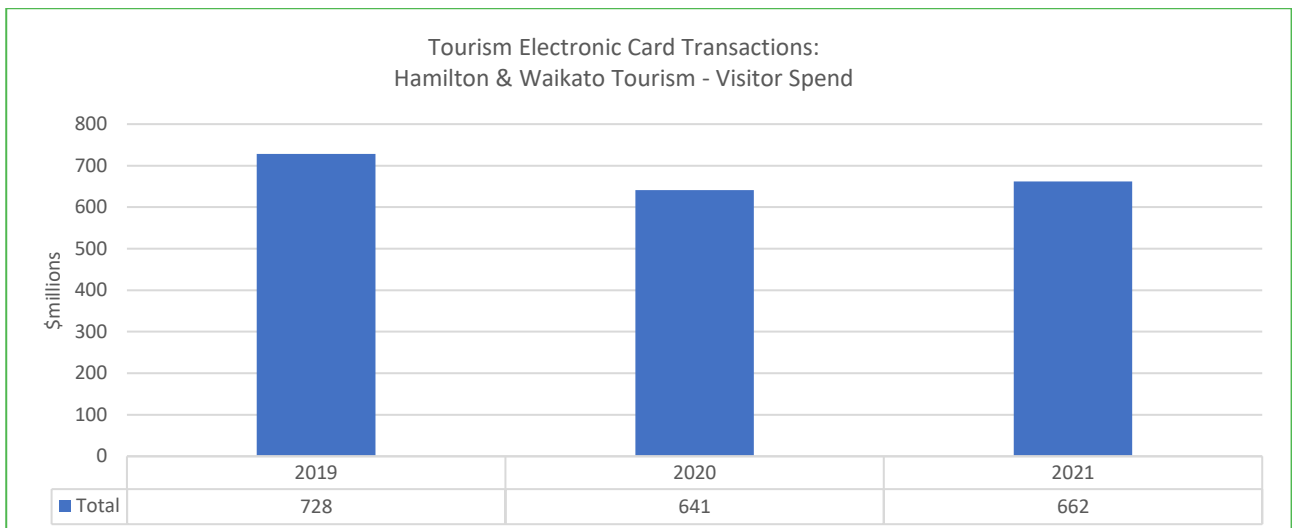
Visitor statistics

As mentioned prior, the first six months of the financial year presented a difficult market environment given the arrival of the Delta variant and now the arrival of Omicron in New Zealand. This led to a second national lockdown, an extended lockdown for our biggest drive market Auckland and the Waikato itself was impacted with alert level changes. NZ is now operating in the red traffic light setting of the Covid Protection Framework. Therefore, many of our visitor statistics have suffered decline across the board.

Visitor expenditure in the Waikato Region

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.

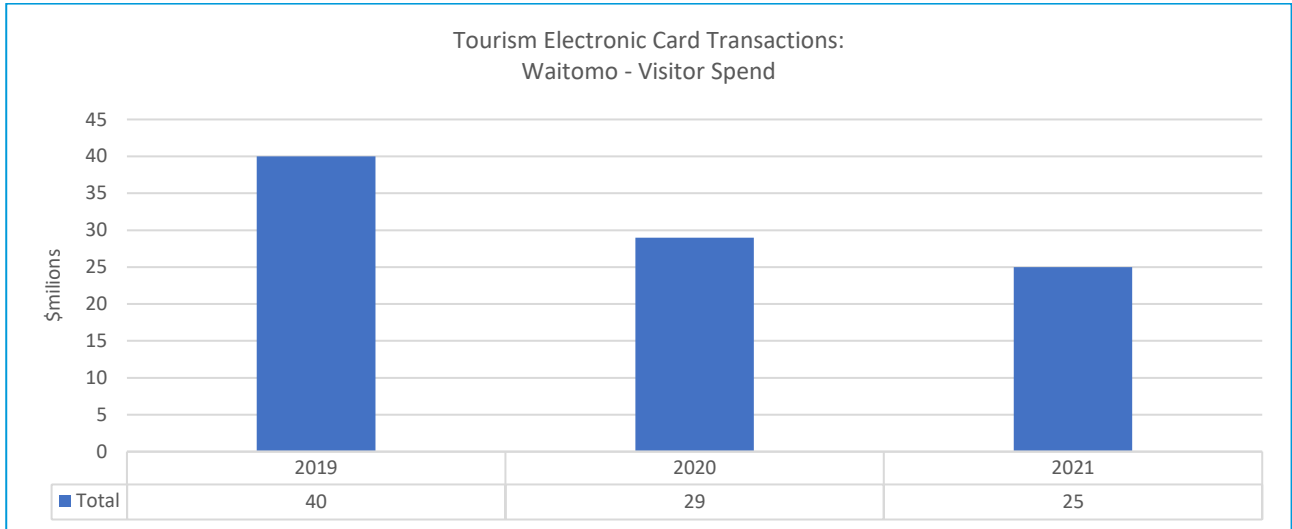
Compared to 2020, tourism spending increased 3% for Waikato for the year ended December 2021.



Source: Tourism Electronic Card Transactions, MBIE (December 2021)

Visitor expenditure in Waitomo District

Annual visitor electronic expenditure for Waitomo declined 16% to year end December 2021; injecting \$25million into Waitomo’s economy.

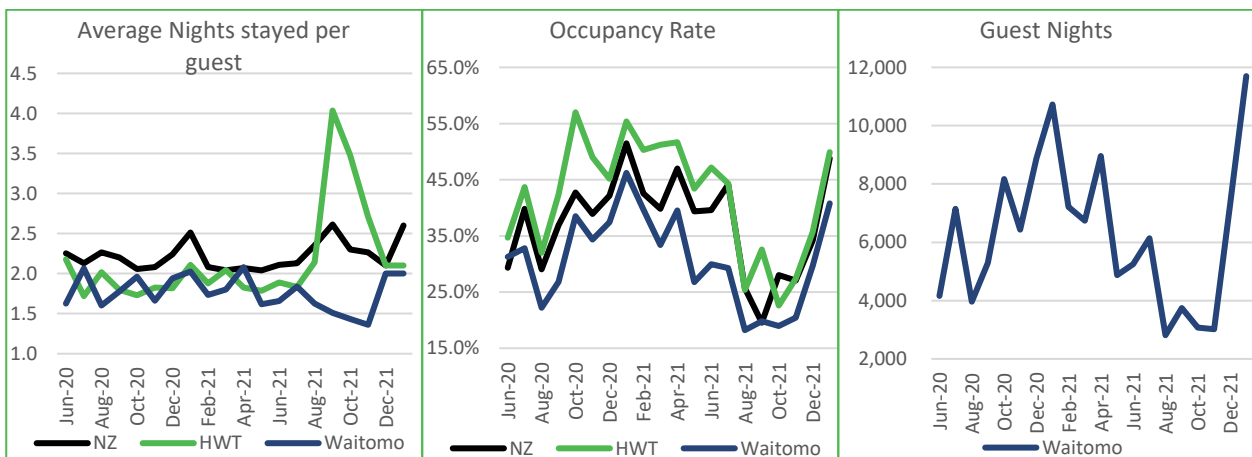


Source: Tourism Electronic Card Transactions, MBIE (December 2021)

Commercial accommodation in Waitomo

The new national ‘bed nights’ measurement tool, the Accommodation Data Programme (ADP) began providing monthly measurements from June 2020.

Waitomo have 17 commercial accommodation providers contributing data into this programme (unlike the old Commercial Accommodation Monitor, this is not a legal requirement). The Occupancy rate for Waitomo accommodation providers in December 2021 was 29.7%. People stayed an average of 2 nights per visit/stay. This resulted in 7,300 guest nights in December 2021; and 69,844 for the 12 months to December 2021.

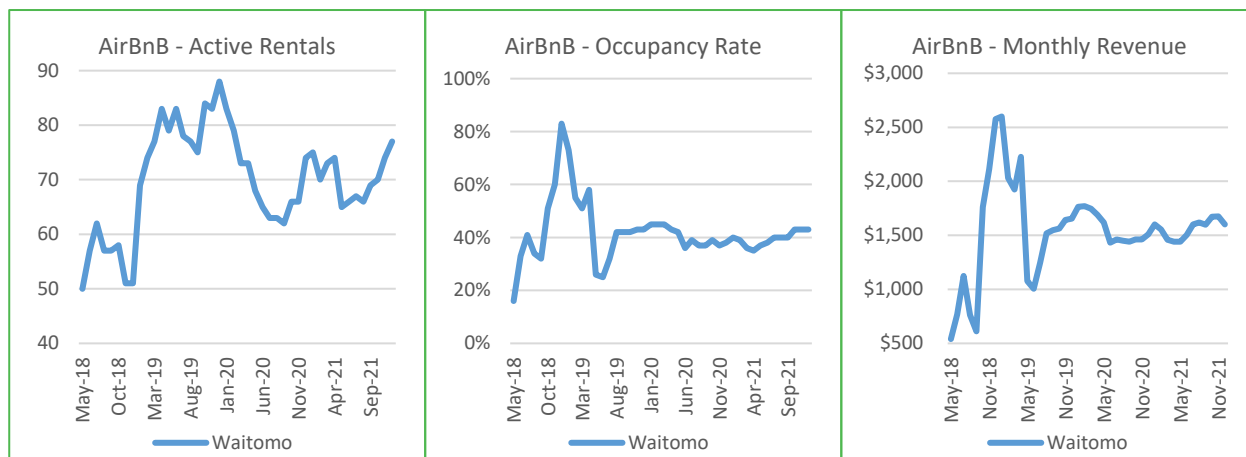


Source: Accommodation Data Plan, MBIE (December 2021)

Non-commercial accommodation in Waitomo

Waitomo also had 77 properties listed on AirBnB during December 2021 as alternative accommodation to the traditional commercial offerings. This has increased by 8 listings from December 2020 and up 3 on December 2019.

These properties experienced 43% occupancy during December 2021. For the 12 months December 2021, the average occupancy rate for AirBnB properties in Waitomo was 40%.



Source: AirDNA (December 2021)

Leisure & trade marketing

Domestic marketing

Matariki Events Campaign

A specific 'Waikato Matariki Events' campaign launched in early June and concluded at the end of July to coincide with Matariki from 11 June – 31 July. Working in partnership with and supporting the Matariki Ki Waikato festival, this campaign targeted Waikato residents encouraging them to participate in events happening across the region to celebrate the Māori New Year. Digital ads ran on Facebook, Google Display and Search and 82,000 printed Matariki events guides were also distributed through the Waikato Times, Hamilton Press and Cambridge Edition.

External domestic markets: Winter Campaign

HWT developed a campaign for winter to encourage travel to the Waikato over the months of July-Sept. Targeting key drive and fly markets - Auckland, Bay of Plenty, Central North Island, Wellington and Christchurch, the aim of this campaign being a non-ski destination dispelling the myth there is 'nothing to do in the Waikato' over winter by showcasing the wide variety of experiences on offer. The campaign went live on 13 July and will run until the end of August on Facebook and Google Display. Unfortunately, this campaign had to end early due to the lockdown periods.

Winter School Holidays

Launched on 13 July and concluded on 24 July through Facebook and Instagram, our small digital Winter School Holidays campaign was focused on promoting family-friendly activities and attractions in the region to Waikato residents.

Mighty Local Campaign

When all of NZ moved to Alert Level 4 on 18 August, HWT worked to quickly stand up our Mighty Local campaign again. The Mighty Local messaging was designed to promote and profile everything local across the Mighty Waikato region during the COVID-19 Alert Levels periods.

The campaign aimed to encourage Waikato residents to support local businesses through the various alert levels and adapted to the market depending on what level we were at – from online retail, virtual experiences and takeaways at Level 4 and 3 to visiting our Waikato attractions, dining and accommodation at Level 2.

External domestic markets: Summer Campaign

During Level 3, HWT worked through options for an upcoming summer campaign and had planned to launch in November to inspire summer travel before publications filled up with Christmas content. Unfortunately, lockdown continued for longer than expected, so the majority of campaign activity will occur post-Xmas/early in 2022 targeting key drive and fly markets.

As an alternate to a major campaign pre-Xmas, we published a 48-page 'Waikato Escapes' print supplement with Stuff which was distributed via the Sunday Star Times and Waikato Times in early December. The aim of this publication was to encourage people to travel to the Waikato over summer, and for local residents to stay and explore their own backyard this summer while showcasing the vast range of activities and attractions in the Waikato. This had a print distribution of over 257,000.

External domestic markets: Welcome Back Auckland

We ran a small, dedicated campaign to welcome back Auckland once they could travel from 15 December. This campaign focused on our close relationship as neighbours as our key point of difference to other places in NZ and welcomed Aucklanders back with open arms. The messaging in this campaign was well received.

Neat Places

In December, HWT partnered with Hamilton Central Business Association on activity with Neat Places to help promote Hamilton over the summer period and develop additional content to align with the latest edition of the pocket guide. As part of this partnership, Neat Places worked with HWT and Hamilton Central on a competition to win a weekend in Hamilton. Content produced from this partnership highlighted 10 of the best things to do in Hamilton this summer, and Hamilton's best creative boutiques and galleries. Content was shared on Neat Places social media throughout December and will continue into January and February.

Regional Events

We have supported regional events during July-December by profiling them in campaign activity, on social media and coverage on waikatonz.com. Events are an important driver for domestic visitation as well as local expenditure, and post-COVID provide great reasons for repeat visitation to a region. A specific 'Summer of Events' campaign is scheduled take place in early 2022.

Always On Facebook

Alongside hero marketing campaigns, HWT have developed a series of ads that will run across Facebook on an ongoing basis. The aim of this is to keep Waikato at the front of minds and to highlight passion points for locals and visitors. This ongoing activity has ads designed for a local Waikato audience as well as visitors from key drive and fly markets.

Annual Visitor Guide

50,000 copies of the 2022 Official Regional Visitor Guide were distributed in late December 2021. They have been 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 cheaper advertising sales funding production and distribution.

Social Media Stickers

HWT developed some Waikato-related animated 'stickers' for use on social media. Stickers offer an interactive way to mix official branding with the more casual, personal nature of social media posts in turn helping to increase brand awareness and engagement. Ten stickers are now available on Instagram, Facebook & Twitter for anyone to use in their posts – from promoting 'mighty local' and 'meet in the Waikato' to cycling, glowworms and the mighty Waikato River. We are using these in our social channels and have encouraged our operators and wider tourism community to utilise the stickers where relevant.

Media

While international borders remain closed, we have had another successful year for domestic travel media coverage with a number of media pitches, famils and hosting. Domestic media platforms and publications are hungry for content and we have been quick to take up this opportunity. Coverage so far includes content in NZ Herald Travel Supplements, Cuisine Magazine, Our New Zealand, NZ Geographic, 3 separate articles in Kia Ora Magazine and numerous stories across the Stuff network in print and online.

Communications Specialist

HWT employed a 12month Communications Specialist in November. This role has been funded from RESET with some baseline funding inclusion as well. This role sits within the marketing team but will create content for all departments across the organisation including media releases and pitches, case studies/testimonials, articles, e-newsletters, web copy and promotional collateral. This is a very welcome addition to the team, allowing HWT to capitalise on further content and media opportunities.

International marketing

While no physical training or sales activity with off-shore international travel trade has been possible, we have continued to undertake virtual trade training and promotional activities alongside on-shore training and famils over the last six months including:

- Attending the annual conference TECNZ Conference and meeting with 32 inbound tour operators to update them on trade-ready operators in the Waikato
- Attending the TNZ Hui Kaihāpa virtual trade training event for Australian agents
- Preparing and hosting Inbound Tour Operator famils
- Undertaking regional webinars with Tourism New Zealand China, UK and India teams
- Participating in the TRENZ online connections/ meetings portal
- Undertaking trade development support for regional tourism operators

The Explore Central North Island collective continued to promote the central North Island to international travel trade on behalf of, and in conjunction with the eight participating RTOs (Waikato, Coromandel, Bay of Plenty, Rotorua, Taupo, Ruapehu, Tairāwhiti, Hawke's Bay.)

Marketing activity for Waitomo District

A summary of specific trade and leisure marketing for Waitomo is detailed below.

Target market	Campaign or activity	Waitomo experiences profiled
Media – domestic & international famils	Media hosting and famils profiling Waitomo: <ul style="list-style-type: none"> • Big Bus Travel 	Waitomo Adventures, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave), Mangapohue Natural Bridge, The General Store.
Media - domestic	Waitomo was profiled as part of regional promotions in the following publications: <ul style="list-style-type: none"> • NZ Herald Travel Supplements • Our New Zealand • Stuff.co.nz • NZ Geographic 	The Timber Trail, Te Tiro, Waitomo Adventures, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave, Legendary Black Water Rafting Co), Marokopa Falls, Mangapohue Natural Bridge, Waitomo Museum of Caves, Meads Brothers Exhibition, Caveworld.
Travel Trade – webinars & training	Waitomo District profiled in following trade training: <ul style="list-style-type: none"> • TNZ – China market • TNZ – UK/Europe market • TECNZ conference • Hui Kaihāpa (AU market) 	Trade-ready products: Waitomo Adventures, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave, Legendary Black Water Rafting Co, Homestead Cabins), Caveworld, Spellbound, The Timber Trail.
Domestic consumer -Local, Hamilton & Waikato	<ul style="list-style-type: none"> • Matariki Events June – July 2021 • Winter School Holidays • Spring School Holidays • Mighty Local - Aug–Sep 2021 • Always On Facebook • 48-pg Waikato Summer Stuff Supplement 	The Timber Trail, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave, Legendary Black Water Rafting Co), Waitomo Adventures (Lost World, Troll Cave), Waitomo village, Te Kuiti, Caveworld, Marokopa Falls, Mangapohue Natural Bridge, Spellbound, Waitomo Trail Run, Waitomo Caves Discovery Centre.
Domestic consumer - External Drive & Fly Markets	<ul style="list-style-type: none"> • Matariki Events June – July 2021 • Winter Campaign – July – August 2021 • Always On Facebook • Welcome back Auckland • 48-pg Waikato Summer Stuff Supplement 	The Timber Trail, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave), Waitomo Adventures (Lost World, Troll Cave) Caveworld, Legendary Black Water Rafting Co, Marokopa Falls, Mangapohue Natural Bridge, Spellbound, Waitomo Trail Run, Waitomo Caves Discovery Centre.
Domestic consumer – Chinese New Zealanders	Ongoing campaign activity has continued through our Weibo social media channel, blogs, forums etc	Pureora Forest Park, The Timber Trail, Mangaotaki Walk, Piopio, Omaru Falls, Footwhistle Cave - Caveworld, Marokopa Falls.
Domestic & International consumer and trade	2022 Hamilton & Waikato Regional Visitor Guide	Waitomo district and towns profiled in 'Regional highlights' 'Events' and 'Waitomo & Surrounds' sections. Waitomo district-based tourism operators have advertised in their respective section.

Domestic & international consumer, travel trade and media	Quarterly e-newsletters distributed to our consumer, trade and media databases	Spellbound, Underground Sounds, Discover Waitomo (Waitomo Glowworm Caves, Homestead Cabins).
Domestic & International consumer	Waitomo profiled through HWT's website and various social profiles including Facebook, Instagram, Twitter & YouTube: Marokopa Falls, Mangaotaki Walk, Matariki Events, Waitomo Caves village, Discover Waitomo (Ruakuri Cave), Omaru Falls, Waitanguru Falls, Piopio, Ruakuri Scenic Reserve, Te Kuiti, Meads Brothers Exhibition, The Timber Trail, Waitomo Zipline Park, Homestead cabins. Featured on the Mighty Local website: The General Store, Mini India Takeaway, King St Kitchen, Origin Coffee, Whitebait Inn, Discover Waitomo, Waitomo Adventures, Spellbound, Te Kuiti i-SITE, Waitomo District Library, Bosco Café, Tiffany's Cafe & Restaurant, Stoked Eatery.	

Conferences, incentives & business events

Overview

The lockdown during the majority of August through to December has been a major challenge for the business events sector, with an emerging trend of clients now holding multiple possible dates when rebooking which has created challenges for venues and suppliers. Most of the events affected were initially moved to November 2021, with the majority of those then postponed to February 2022. These February dates are now currently being pushed out again or cancelled completely due to the Omicron outbreak.

In addition to this, three of our largest commercial accommodation providers continue to be Managed Isolation Facilities which has also impacted on the conference market, significantly reducing our offer. Hosting some of the larger conferences is now very challenging due to limited accommodation availability which includes the majority of our motels continuing to be used for emergency housing.

Uncertainty is also taking its toll with event organisers confidence in booking conference venues and accommodation waning, plus they are afraid of the force majeure clauses in contracts. Currently venues are experiencing short lead-in times which brings its own challenges.

Australia was beginning to show promise, however this has come to a complete standstill due to the closing of the quarantine-free Trans-Tasman travel bubble. Australian Associations are not looking to start exploring travel and hosting conferences in New Zealand until 2023 at the earliest.

We have been conscious to keep connected with our partners through this period and have initiated purposeful visits over the last six months.

New Incentive Video

Working with the HWT marketing team, we have completed filming for our new "Mighty Waikato Incentives" video aimed at the lucrative incentive market. The Waikato region offers corporates unique incentive travel and rewards to inspire high performing employees in our corporate market. The Waikato has something to offer groups of all sizes and tastes. From exhilarating jet boat safaris, breathtaking glowworm caves and magical movie sets through to a number of new awe-inspiring experiences like Tieke Golf Estate and New Zealand's only tea plantation.

This new video and suggested incentive itinerary and programmes will target the New Zealand and Australia corporate market. The video aims to capitalise on our region currently having a more attractive proposition as an incentive destination with borders still closed to quarantine free travel outside of New Zealand and Australia.

Waikato Business Events Strategy

DUCO events have been contracted to undertake a five-year Business Events Strategy for the Waikato. This started with DUCO individually interviewing reference group members and some industry stakeholders to provide a basis for our first Reference Group Meeting in August. The draft strategy is nearing completion for reference group feedback.

Meet North South

“Meet North South” was launched three years ago between Waikato and Dunedin as a two-year North Island/South Island rotational conference solution for the national conferences of associations, industry and membership organisations.

Dunedin Convention Bureau has hired a new Business Events Manager and discussions have restarted around how we will work together on joint sales activity in 2022. This will see a reactivation of the “Meet North South” marketing activity in 2022 with a focus on the national association market.

Convention Bureau activity

Summary of specific conference marketing activity (1 July 2021 to 31 Dec 2021)

Activity	Detail
Enquiries	20 enquiries and 5 bid proposals managed
Business Activity	<ul style="list-style-type: none"> • July 2021: <ul style="list-style-type: none"> ○ CAP funding lunch event at University of Waikato hosted with Tourism NZ ○ Waikato AAPNZ BA4 presentation ○ Dairy NZ morning tea presentation to Event & EA team ○ Sales calls: Harcourts NZ – Auckland, BOINZ - Wellington, Fonterra and Waikato Chamber of Commerce - Hamilton
Buyer hosting	<ul style="list-style-type: none"> • July 2021: Kim Preston, MTA – hosted site visits • December 2021: Jess Ogg, LJ Hooker – site visits
Trade Show and business event postponements	<ul style="list-style-type: none"> • August 2021: <ul style="list-style-type: none"> ○ TNZ AU Roadshow postponed to May 2022, Melbourne, Brisbane and Sydney • September 2021: <ul style="list-style-type: none"> ○ AuSAE LINC Conference Rotorua, postponed to Feb 2022 ○ Corporate PA Summit Auckland, postponed to Mar 2022 ○ Waikato BE Showcase, Hamilton, postponed to Nov 2021, then Sept 2022 ○ Association Forum National Conference (AFNC) postponed to April 2022, Melbourne October 2021: <ul style="list-style-type: none"> ○ BEIA Conference, postponed to Sept 2022

Hosted Event postponements	<ul style="list-style-type: none"> • September 2022: <ul style="list-style-type: none"> ○ International Hobbit Day PCO hosting postponed to Nov 2021 ○ Post LINC Conference Associations hosting, postponed to Feb 2022 ○ BEW Partner Workshop, postponed to Nov 2021 • October 2022: <ul style="list-style-type: none"> ○ Wellington joint partner sales calls, cancelled ○ Wellington Soiree, cancelled • November 2022: <ul style="list-style-type: none"> ○ International Hobbit Day PCO hosting, cancelled ○ Waikato Mega Famil, cancelled ○ Joint Claudelands Wellington Sales calls, cancelled
AuSAE NZ Networking Activity	<p>AuSAE – Australasian Society of Association Executives</p> <ul style="list-style-type: none"> • July 2022: Networking Breakfast, Wellington • July 2022: Networking Lunch, Auckland
Partner Communication & Development	<p>July 2021: Waikato Business Events Strategy reference group meeting</p> <p>October 2021: BEW partner zoom meeting, Tourism NZ update</p> <p>November 2021: Waikato Business News Feature for Novotel Tainui Hamilton and Hobbiton Movie Set</p> <p>Waitomo District Business Events partners:</p> <p>Discover Waitomo and Waitomo Adventures</p>

Responding to the Covid pandemic

Hamilton & Waikato Tourism has been instrumental in continuing to respond, restart and rebuild the regional tourism and events sector with the ongoing impacts of COVID-19, especially over the past six months.

There are several key initiatives underway to support the Waikato’s tourism and events sector which includes tourism businesses, activities and attractions, accommodation providers, retail and hospitality, transport operators, conferences and business events, major events and venues, educational institutions, plus the many suppliers who partner and provide services to the sector.

Tourism Communities: Support, Recovery and Reset Plan

In addition to the \$20.2 million in grants that was allocated to RTOs through the Strategic Tourism Assets Protection Programme (STAPP) by the Government in 2020/2021, the \$26 million Tourism Communities: Support, Recovery and Re-set Plan was announced in May 2021 for RTOs to manage, plan, promote, and market tourism activities in their regions. This funding is for the 2021/2022 financial year.

As a medium-large RTOs with a local government contribution of \$1 million to \$3 million, HWT were eligible to receive up to \$1 million.

This funding support was made available for a programme of activity across three categories and appropriately scaled to the RTO’s needs, priorities and agreed investment plan:

1. **Destination Management & Planning**
2. **Industry Capacity Building and Product Development**
 - Engaging specialist support to assist with planning, industry capability building and product development;
 - To provide capacity to implement the work programme across the three categories;
 - RTO capability building including participation in MBIE-RTNZ forums and events; and
 - Feasibility and business case development (please specify the specific opportunities).
3. **Domestic and International Marketing.**
 - Tactical domestic marketing activity including creative development, enhancing digital platforms, media buying, and PR activity;
 - Tactical international marketing activity that complements Tourism New Zealand's marketing activities including creative development, enhancing digital platforms, media buying, and PR activity;
 - Event and business event promotion (eg. promotion of venues, events, marketing);

This work can only be completed by using RTO staff, or by external capability.

On 17 August 2021, Minister of Tourism, Hon Stuart Nash, visited the Waikato and announced our Reset Investment Plan application was successful and we received \$1million to undertake the activities listed above and implement the new regional Destination Management Plan.

Waitomo Wellbeing Package

We advocated on behalf of Waitomo Village based tourism operators for inclusion in the MBIE Tourism Communities: Support, Recovery and Re-set Plan, along with Queenstown, Southland, Kaikoura, MacKenzie and West Coast. Unfortunately, we were unsuccessful in securing this additional support for the Waitomo operators.

Therefore, HWT allocated funds from our STAPP projects to provide a support package for the wellbeing and promotion of tourism operators based in the Waitomo Village. There are three main components to this:

1. Wellbeing webinar
2. Free EAP Services for the business and their employees
3. Marketing activity specifically for Waitomo

Adopting a destination management approach for Waikato

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 for the future 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 with three interdependent components:

1. **Visitor Experience:** the Waikato's experience offering, including activities, attractions, supporting infrastructure, services and amenities.
2. **Marketing and Promotion:** the destination's marketing and promotional activity, creating demand and enabling the destination to be competitive, productive and sustainable.
3. **Resource Management:** the region's strategy, policy and regulatory frameworks, Te Tiriti o Waitangi, co-governance arrangements, organisational structures and the investments that support the destination.

We successfully attracted funding from the Tourism Communities: Support, Recovery and Reset Plan to undertake this work. After the first round of stakeholder consultation, a Draft Waikato Destination Management Plan will be released for a second engagement round in February/March 2022.

Regional Events Fund – Thermal Explorer Highway

The four regions of the Thermal Explorer Highway collective including Waikato, Rotorua, Taupō and Ruapehu were approved \$3.75 million for regional events by Tourism Minister Stuart Nash on 18 December 2020.

The Regional Tourism Organisations (RTOs) from Waikato, Rotorua, Taupō and Ruapehu, alongside their council partners, worked together on developing a collaborative regional events investment plan for the next 2-3 years to drive additional domestic visitation into their regions.

This was the first investment from the \$50 million Regional Events Fund to stimulate domestic tourism and travel between regions through holding events. The fund is intended to support the tourism and events sector, while replacing some of the spend from international tourists as a result of COVID-19.

Hamilton & Waikato Tourism were selected as the Lead Entity for the Regional Events Fund across the four regions. We see the collaboration between Waikato, Rotorua, Taupō and Ruapehu will lead to a strong and compelling event proposition for our four regions, who also partnered together for the Domestic Events Fund.

The bulk of the \$3.75 million fund will be used to create a contestable fund with successful events being supported over a three-year period. The focus will be on the development of iconic or anchor events, with a mix of new and expansion of existing events. Another portion of the funding will be used to run capability building workshops and training for event organisers and suppliers, plus develop or update existing regional event strategies; with the remainder to cover administration, legal and event measurement.

The first round of contestable funding was allocated in May 2021 with seven Waikato events successful. Two industry capability workshops have been held and the second round of contestable funding will open shortly.

Conclusion

As we continue to lead the sector in managing the ongoing impacts of COVID-19, our key focus areas for the coming six months include:

- continuing to work with our industry to develop capability and prepare for the reopening of international borders;
- undertake a second round of consultation and community engagement for our Draft Destination Management Plan;
- deliver new Ambassador programmes for Waipa, Otorohanga/Waitomo, Waikato and Matamata-Piako districts;
- support event organisers, venues and suppliers with the ongoing challenges with hosting events, plus lobbying for additional Govt support;
- deliver a second round of the Regional Events Fund for Waikato, Rotorua, Ruapehu and Taupō;
- deliver the remaining programmes of work funded under STAPP/Reset to boost our economic and social recovery; and
- continue to lobby and advocate for the tourism sector with Government.

On behalf of the board and management of Hamilton & Waikato Tourism, we would like to thank Waitomo District Council, our local government partners and the industry for their continued support, especially as we continue to work our way through the long-term impacts of COVID-19. Your proactive and supportive approach during COVID-19 has been greatly appreciated by the tourism sector and our community.

Jason Dawson
Chief Executive
Hamilton & Waikato Tourism
January 2022

Nicola Greenwell
Interim General Manager
Hamilton & Waikato Tourism
March 2022

Document No: A 606743

Report To: Council



Meeting Date: 29 March 2022

Subject: Declaration of Members' Conflicts of Interest

Purpose of Report

- 1.1 The purpose of this business paper is for elected members to –
- 1 Declare interests that may be deemed a potential conflict with their role as an elected member relating to the business papers for this meeting, and
 - 2 Declare any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 29168.

Commentary

2.1 **Conflicts of Interest**

2.2 Every elected member has a number of professional and personal links to their community. They may own a business or be a member on a board or organisation. They may have a pecuniary (financial) interest or a non-pecuniary (non-financial) interest. These interests are a part of living in the community which they need to make decisions about in their role with Council.

2.3 Elected members are governed by the Local Authorities (Members' Interests) Act 1968 and are guided by the Auditor-General in how this Act is administered. In relation to pecuniary interests, the two underlying purposes of the Act are to:

- Ensure members are not affected by personal motives when they participate in local authority matters; and
- In contracting situations, prevent members from using their position to obtain preferential treatment from the authority (the Council).

2.4 Non-pecuniary interests relate to whether an elected member could be in danger of having a real or perceived bias for an issue under consideration.

2.5 Elected members will also have interests that are considered no greater than the public at large. For example, most elected members will own a property and therefore be a ratepayer in the Waitomo District.

2.6 Conflicts of interest at times cannot be avoided, and can arise without anyone being at fault. They need not cause problems when they are promptly disclosed and well managed.

2.7 **Declarations of Interests and Conflicts**

2.8 At the beginning of each triennial council term, elected members are requested to disclose known interests on behalf of themselves (including spouses and partners). It is up to the elected member to judge whether they have any interests to declare. Some elected members may not have any, other elected members may have many.

2.9 As well as this, elected members may decide that they have an interest in a particular issue or item to be discussed at a meeting. There is a standing item on every meeting agenda for elected members to declare conflicts of interest.

- 2.10 These declarations should be clear as to whether there is just an "interest" with no pecuniary benefit and no greater benefit than to any member of the public, or they may be a Council appointed representative to an organization, or whether there is a "conflict of interest" in that there could potentially be a pecuniary or other direct benefit to the elected member.
- 2.11 Members who have declared a "conflict of interest" at the commencement of a meeting should make a further declaration when that item of business is considered and leave the meeting table (or the meeting room) and not take part in any discussion, debate or voting on the matter of conflict.
- 2.12 Attached to and forming part of this business paper is information to assist elected members in determining conflicts of interest.

Declarations

Mayor Robertson will invite elected members to give notice of any conflicts of interest relating to the business for this meeting.

In the event of a Declaration being made, the elected member must provide the following information relating to the Declaration:

Item(s) of Business on the Order Paper	Elected Member Name and Reason for Declaration	Type of Conflict Financial Non-Financial Conflict of Roles Pre-Determination
Item No -	•	•



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Local Authority (Members' Interests) Act 1968

- 3.1 The Local Authority (Members' Interests) Act 1968 helps to protect the integrity of local authority decision-making by ensuring that Councillors are not affected by personal motives when they participate in Council decision-making and cannot use their position to obtain preferential access to contracts. This Act deals with two forms of "interest":
1. Pecuniary
 2. Non-pecuniary
- 3.2 **Pecuniary Interest**
- 3.3 The **two** specific rules in the Act are that members cannot:
1. Enter into contracts with their local authority worth more than \$25,000 (including GST) in a financial year unless the Auditor-General approves the contracts (referred to as the contracting rule). Breach of this rule results in automatic disqualification from office; and
 2. Participate in matters before the Council in which they have a pecuniary interest, other than an interest in common with the public (referred to as the participation rule). Breach of this rule is a criminal offence and conviction results in automatic disqualification from office
- 3.4 A pecuniary interest is one that involves money. This could be direct or indirect. It is sometimes difficult to decide whether an interest in a particular matter is pecuniary or some other kind. It is always the responsibility of elected members to make this decision, to declare any interest when appropriate and to ensure that as an elected member you comply with the Act's requirements at all times. The Act generally provides that no person shall be capable of being a member of Council if that person is concerned or interested in any contracts with the Council where the total payments made by the Council in respect of such contracts exceeds \$25,000 in any one financial year.
- 3.5 The Act also provides that an "interest" exists where a member's spouse is involved and/or where a member or their spouse is a major shareholder or have control or management of a company which contracts with Council or where the company has a pecuniary interest in the decision. It may also apply where your family trust has a contract with the Council.
- 3.6 The Act does provide that on application to it the Office of the Auditor General may give specific approval to a member being concerned or interested in a particular contract, in which case the provisions of the Act will not disqualify the Councillor from remaining in office. The approval needs be gained before the contract concerned is entered into.
- 3.7 The Act also requires that a member shall not vote or take part in the discussion of any matter in which he/she has any pecuniary interest, other than an interest in common with the public. This interest is required to be declared by the member and is noted in the minutes.
- 3.8 The Office of the Auditor General is the agency, which oversees this legislation and it also has the responsibility and power to institute proceedings against any member. The Act does not define pecuniary interest, however the Office of the Auditor-General uses the following test: "Whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned."
- 3.9 In deciding whether you have a pecuniary interest you should consider the following factors: What is the nature of the decision being made? Do I have a financial interest in that decision – do I have a reasonable expectation of gain or loss of money as a result of making that decision? Is my financial interest one that is in common with the public? Do any of the exceptions in the Act apply to me? Could I apply to the Auditor-General for approval to participate?
- 3.10 Further guidance is provided in the booklet "Guidance for members of local authorities about the Local Authorities (Members' Interests) Act 1968" which has been provided to 5 elected members. It is important that you pay particular attention to the contents of this booklet as this is one of the few areas of the Council's business where staff do not set out to provide

pro-active advice and members are personally liable for compliance with the provisions of this Act.

3.11 Non-Pecuniary Interest

3.12 Non-pecuniary interest is any interest the member may have in an issue that does not involve money. A common term for this is "bias" or pre-determination. Rules about bias operate not only to ensure that there is no actual bias, but also so there is no appearance or possibility of bias. The principle is that justice should not only be done, but it should be seen to be done. Bias may be exhibited where:-

- By their statements or conduct a member may indicate that they have predetermined the matter before hearing or considering all of the relevant information on it (including the Council's debate); or
- The member has a close relationship with an individual or organisation affected by the matter.

3.13 Non-pecuniary interest is a difficult issue as it often involves matters of perception and degree. The question you need to consider, drawn from case law, is: "Is there, to a reasonable, fair-minded and informed observer, a real indication of bias on the part of a member of the decision making body, in the sense that they might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?" If there is, the member should declare their interest and withdraw from the debate and take no further part in the discussion of this item. The law about bias does not put you at risk of personal liability. Instead, the validity of the Council's decision could be at risk. The need for public confidence in the decision-making process is paramount and perception can be an important factor. Again the booklet provided by Office of the Auditor General provides some excellent advice and information on this issue.

Waitomo District Council Procurement Policy 2018

4.1 The following are extracts from WDC's Procurement Policy:

WDC's procurement activities will be conducted in line with the core Procurement Principles and a decision framework that ensures:

- **Adherence** – all procurement is required and is undertaken in accordance with the Procurement Policy and all other associated WDC Policies and Strategies;
- **Openness** - all procurement is made in an open and transparent manner with full and fair opportunity for all eligible suppliers;
- **Fairness** - all procurement is carried out in a fair manner and decisions are made with impartiality and without bias;
- **Integrity** - all WDC employees and/or authorises third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels;
- **Value for Money** – all procurement considers the costs and benefits over the life of the goods, services and/or works, and in doing so takes into consideration local procurement;
- **Risk** – all procurement considers the risks (commercial and otherwise) and ensures these are managed appropriately;
- **Lawfulness** - all procurement is within the law and meets WDC's legal and organisational obligations;
- **Accountability** - employees and/or authorised third parties and suppliers are accountable for their performance; and
- **Sustainability** - all procurement is environmental and socially sustainable wherever possible, having regard to economic, environmental, and social impacts over their lifecycle.

Conflict of Interest and Declarations Policy 2018

WDC is required to identify, disclose, document and manage employees' conflicts of interest, and to ensure that decisions made on behalf of WDC and the community are fair and free of bias or perceived bias.

Note: the words "decision" and "decisions" should be taken to include recommendations and advice:

- (a) that might significantly influence decisions that will be made by other people; or
- (b) on development of strategies and policies that will guide future WDC decision making on service provision, purchasing, contracting or staff employment.

WDC recognises that the professional and personal interests of employees mean that conflicts of interest sometimes cannot be avoided, and can arise without necessarily establishing a fault. Conflict need not cause difficulties, and can be managed so that the best interests of WDC and its ratepayers, residents or customers are served.

DEFINITION OF CONFLICT OF INTEREST

A **conflict of interest** exists when an employee could be influenced or could be perceived as being influenced by a personal or private interest in **any transaction** while performing their WDC duties and/or responsibilities. A personal or private interest is an interest that may bring benefit to an employee as an individual, or to others associated with the employee i.e. spouse or family member, to whom the employee may later benefit.

A **transaction** includes, but is not limited to:

- (a) the exercise or performance of a function, duty, or power of WDC; or
- (b) an arrangement, agreement, or contract to which WDC is a party; or
- (c) a proposal that WDC enter into an arrangement, agreement, or contract; or
- (d) development of a strategy or policy that will guide future decision making on service provision, purchasing, contracting or staff employment; or
- (e) the consideration of or decision made by or at a meeting of Council or its committees and subcommittees.

A Conflict of Interest may exist where the employee:

- will or may derive a benefit from the transaction – a financial, professional or personal benefit;
- has a financial interest in another party to a transaction;
- is a director, shareholder, officer or trustee of another party to the transaction, or is a person who will or may derive a financial benefit from the transaction;
- has an interest in another party tendering for work which WDC is considering; or
- is the partner, parent, child, spouse, sibling, or close friend of another party to the transaction, or a person who will or may derive a benefit from the transaction; or
- is an affected member or interested party in a proposal considered by Council.

Managing conflicts of interest

A conflict of interest is a situation where the responsibilities you have in your work for a public organisation are affected by an interest or relationship you have in your private life.

Having a conflict of interest does not necessarily mean you have done anything wrong. It all depends on how you manage it.

You need to ask yourself not just whether the interest or relationship means you are biased, but also whether someone looking in from the outside could have reasonable grounds to think you might be.

The “rules” for managing conflicts of interest in the public sector are generally stricter than in the private sector. If you work for a public organisation, the public needs to have confidence that any decisions you make:

- are made impartially and for the right reasons; and
- are not influenced by personal interests or ulterior motives.

Any decisions about conflicts of interest should take into account the core public service values:

- integrity;
- impartiality
- trustworthiness;
- respect; and
- responsiveness.



Tips for managing conflicts

- Make sure you know what rules apply to you, whether in your employment contract, contract for services, terms of appointment, or any internal policies of the entity you work for.
 - Declare any interests you have that might pose a conflict. This shows you are being open. It will also help the entity you work for avoid putting you in a situation where a conflict might arise, or to manage a conflict if one arises.
 - Follow any rules or guidance provided by the entity you work for when deciding how to manage a conflict.
- As a minimum, declare any conflicts you have as soon as you become aware of them, preferably in writing.
 - Think about what else you might need to do to manage the conflict. Get advice if you need to. Talk to your manager, or if you are on a board, the chairperson.
 - You need to consider ethics as well as legal rules. Just because it's not unlawful to participate, that does not necessarily mean it would be appropriate to participate.

If in doubt, stay out.



When you have to make a decision, ask yourself:

FINANCIAL

- Do you stand to gain or lose financially from the decision?
- Does someone close to you – like an immediate family member – or a business you are involved with stand to gain or lose financially from the decision?

A situation does not need to involve cash changing hands to be considered a financial interest. A financial interest could, for example, relate to an effect on the value of property.

A financial interest might be direct or indirect. In situations that someone close to you or a business you are involved with has a financial interest, you might be considered to share their interest.

Financial interests are generally treated more strictly than other types of interest. If you have a financial conflict of interest, the law presumes you are biased. This is why you should automatically treat a financial conflict of interest seriously, even if it seems trivial to you.

For some entities in the public sector, there are specific statutory requirements that apply to managing the financial conflicts of interest, which you need to be aware of.

NON-FINANCIAL

- Is someone close to you or an organisation you are involved with likely to be affected by the decision you make?
- If so, is there a risk that you will be seen to be biased in your decision because of this relationship or association?

If you have a conflict of interest, but not one from which you stand to gain or lose financially, the law does not automatically assume you are biased.

This does not necessarily mean a non-financial conflict is less serious than a financial conflict – but there is generally more room for judgement about whether it is acceptable for you to participate.

Questions you need to think about include:

- How close is your relationship with this other person or organisation?
- Will they be directly affected by the decision?
- How seriously will they be affected?

CONFLICT OF ROLES

Will a second organisation you have a role in (entity B) be affected by the decision you are making for the public organisation you work for (entity A)?

If so:

- Is there a risk that you will be seen to be acting in the interests of entity B rather than entity A?
- If you participate in this decision, is there a risk that you might breach obligations you owe to either entity – for example, a duty of loyalty or confidentiality?

The issue with a conflict of roles is not so much whether you personally have a conflict, but whether the interests of the two organisations conflict.

If you have a conflict of roles, you will need to consider whether it is appropriate for you to participate in the decision-making process “on both sides of the table”. You will also need to think about whether you are going to be in a position to fulfil your obligations to both entities at the same time.



If there is a risk that there might be conflicts at some point during the decision-making process, you should discuss your situation with both entities. This gives each an opportunity to consider the risks from their perspective and decide whether they are comfortable with you participating on both sides.

PRE-DETERMINATION

Is there anything you have previously done or said that might make people think you are not going to listen fairly to all the relevant information before you make your decision?

It is accepted that people working for public entities will have their own views on many matters, and, in many cases, might already have views on what the “right answer” to an issue is.

You are not required to approach every decision as though you have given it no prior thought, or have no existing knowledge or opinion. However, you are required to keep an open mind, and you must be prepared to change or adjust your views if the evidence or arguments warrant it.

That means you need to take care that what you do or say does not make it look like you have already made your decision before you have considered all the relevant information and evidence.

Where to read more

FINANCIAL	NON-FINANCIAL	CONFLICT OF ROLES	PRE-DETERMINATION
Paragraphs 3.7-3.11	Paragraphs 3.12-3.24	Paragraphs 3.25-3.31	Paragraphs 3.32-3.40
Scenarios 3, 5	Scenarios 1, 2, 3, 9, 11	Scenarios 8, 10	Scenarios 4, 7
If you are an elected member of a local council, or a member of the governing body of any other entity to which the Local Authorities (Members' Interests) Act 1968 applies, please also read our Guide on that Act.			

WAITOMO DISTRICT COUNCIL

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL HELD VIA ZOOM TUESDAY 22 FEBRUARY 2022 AT 9.00AM

PRESENT: Mayor John Robertson and Council Members Phil Brodie, Allan Goddard, Janene New, Lisa Marshall and Sue Smith

IN ATTENDANCE: Ben Smit, Chief Executive. Michelle Higgin, Manager – Governance Support; Shyamal Ram, General Manager – Infrastructure Services and Alister Duncan, General Manager – Business Support

IN ATTENDANCE VIA ZOOM: Helen Beever, General Manager – Community Services, Greg Boyle, Special Projects Coordinator, Alex Bell, General Manager – Strategy and Environment; Charmaine Ellery, Manager – Strategy and Policy (for part only)

1. Council Prayer

Mayor Robertson requested that Public Excluded Item Number 5 – “Waikato Local Authority Shared Services – Western Bay of Plenty District Council Potential Shareholding” be brought forward into the Public portion of the meeting.

2. Apologies

Resolution

The apology from Deputy Mayor Guy Whitaker be received and leave of absence granted.

Robertson/Goddard Carried

3. Declarations of Member Conflicts of Interest

Members declared interests/conflicts of interest in respect to the Agenda as set out below:

Item(s) of Business on the Order Paper	Member and Reason for Declaration	Type of Conflict <i>Financial / Non-Financial / Conflict of Roles / Pre-Determination</i>
Item 10: DC Tynan Trust – Exemption as a Control Controlled Organisation	<ul style="list-style-type: none">• Cr Lisa Marshall• Cr Janene New	Conflict of Roles
Public Excluded Item 2: Lawrence Street, Te Kuiti – Kainga Ora Proposal	<ul style="list-style-type: none">• Cr Lisa Marshall	Non-Financial

4. Confirmation of Minutes – 30 November 2021

Resolution

The Minutes of the Waitomo District Council meeting of 30 November 2021, including the public excluded portion of the Minutes, be confirmed as a true and correct record.

Robertson/Smith Carried

5. Confirmation of Minutes – 14 December 2021

Resolution

The Minutes of the Waitomo District Council meeting of 14 December 2021, including the public excluded portion of the Minutes, be confirmed as a true and correct record.

Robertson/Goddard Carried

6. Verbal Reports: Elected Member Roles and Responsibilities

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

Council noted that due to the Covid restrictions in place, many scheduled meetings/events have been cancelled with some meetings being convened via Zoom.

Cr Brodie

1. Tainui Wetere Domain Meeting
2. Regional Connections Zoom Meeting

Cr New

1. Waitomo Sister City
2. Game On Trust
3. Legendary Te Kuiti
4. Vibrant Safe Waitomo
5. Maru Trust Expo
6. Powhiri - New CEO Ben Smit

Cr Goddard

1. Inframax Construction Ltd – Meet new Chief Executive and shortlisting of Director applications
2. Turning of Sod – King Country Indoor Sport and Recreation Centre
3. Benneydale Community Hall

Cr Marshall

1. Area Response Hui
2. Turning of Sod – King Country Indoor Sport and Recreation Centre
3. Maru Trust Expo
4. Te Kuiti Community House

Cr Smith

1. Waitomo Caves Museum
2. Marokopa Camping Ground discussions with locals
3. Local Flood Event – discussions with locals on communications

The General Manager – Business Support entered the meeting at 9.16am.

Mayor Robertson

1. Covid Response Hub for Te Kuiti
2. Powhiri – New Principal of Piopio College
3. Inframax Construction Ltd – Meet new Chief Executive and shortlisting of Director applications
4. Meetings – Local Flood Event damage

Resolution

The verbal reports be received.

Robertson/Brodie Carried

7. Mayor's Report – February 2022

Council considered the Mayor's Report for February 2022.

Resolution

The Mayor's Report – February 2022 be received subject to the amendment noted above.

Robertson/Marshall Carried

The Manager – Strategy and Policy entered the meeting at 9.29am

8. Draft Fraud and Corruption Policy

Council considered a business paper presenting a draft Fraud and Corruption Policy for consideration and adoption.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Draft Fraud and Corruption Policy be received.
- 2 The draft Fraud and Corruption Policy be adopted.

Goddard/Brodie Carried

9. Draft Policy on Community Organisations Insurance Arrangements through Council

Council considered a business paper presenting a Draft Policy on Community Organizations Insurance Arrangements through Council (Draft Policy) for adoption.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Mayor Robertson recommended the addition of a new clause 4.8 on Page 5 of Policy to read: Council may impose a charge on a participating organisation to cover its administration cost through its Fees and Charges regime.

Resolution

- 1 The business paper on Draft Policy on Community Organisations Insurance Arrangements through Council be received.

- 2 Council adopt the Policy on Community Organisations Insurance Arrangements through Council subject to the addition of a new Clause 4.8 as follows:

4.8 *Council will impose a charge on a participating organisation to cover its administration cost through Council's Fees and Charges regime.*

Robertson/Goddard Carried

10. DC Tynan Trust – Exemption as a Council Controlled Organisation

Council considered a business paper seeking Council's consideration of an exemption for the DC Tynan Trust from being a Council Controlled Organisation under the Local Government Act 2002.

The General Manager – Business Support and General Manager – Community Services expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on DC Tynan Trust – Exemption as a Council Controlled Organisation be received.
- 2 Council exempt the DC Tynan Trust from being classified as a Council Controlled Organisation under section 7(3) of the Local Government Act 2002.

Goddard/Smith Carried

11. Solid Waste Management (Emission Trading) – Consideration of Purchasing Carbon Units in Advance of the Adoption of Exceptions Annual Plan 2022/23

Council considered a business paper seeking Council's approval to purchase carbon credit units (ETS) in advance of the budget approval for financial year 2022/23.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Solid Waste Management (Emissions Trading) – Purchase of Carbon Credit Units in Advance of Adopting the Exceptions Annual Plan 2022/23 be received.
- 2 Council authorises the purchase of carbon credit units up to the value of the draft budget for 2022/23 of \$656,000 in advance of adopting the Exceptions Annual Plan 2022/23.

Goddard/Brodie Carried

12. Waikato Regional Council Public Transport Business Improvement Review

Council considered a business paper seeking Council's approval of the response to the Waikato Regional Council's Public Transport Business Improvement Review, which seeks to review how public transport is delivered in the Waikato Region.

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

Resolution

- 1 The business paper on the Waikato Regional Council Public Transport Business Improvement Review be received.
- 2 Council approve the response to the Waikato Regional Council Public Transport Business Improvement Review as follows:

RESPONSE TO THE WAIKATO REGIONAL COUNCIL PUBLIC TRANSPORT BUSINESS IMPROVEMENT REVIEW FEEDBACK REQUEST

Thank you for your letter of 21 December 2021 inviting feedback from the Waitomo District Council (WDC) on the Waikato Regional Council Public Transport Business Improvement Review.

WDC has now reviewed your request, and wishes to make the following comments:

1. *Currently, the Waitomo District does not receive any public transport services from the WRC, and it does not anticipate this changing in the foreseeable future. Therefore, WDC is unable to support taking a regional approach to rating for public transport at this time. Also, before any such proposal could be considered by the WDC, the WDC would need to understand the value of the services it would receive, and given the small ratepayer base, the level of rating that would be applied.*
2. *The WDC understands that there is potentially merit in an integrated approach to public transport planning across the Waikato Region. However, as there is no public transport services available to the WDC and unlikely to be sufficient demand to warrant such services in the foreseeable future, such an approach cannot be supported.*

Please do not hesitate to contact me if you wish to discuss.

Brodie/Goddard Carried

13. Adoption of Statement of Proposal for Consultation on Local Easter Sunday Shop Trading Policy Review

Council considered a business paper presenting a Statement of Proposal for consideration and adoption to enable public consultation on the proposed changes to the Local Easter Sunday Shop Trading Policy.

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

Cr Brodie noted the need to include Mokau in the Map in the Statement of Proposal.

Resolution

- 1 The business paper on "Adoption of Statement of Proposal for Consultation on Council's Local Easter Sunday Trading Policy" be received.
- 2 Council adopts the Statement of Proposal for the proposed amendments to the Local Easter Sunday Trading Policy for public consultation from 22 February to 22 March 2022.

New/Smith Carried

14. Progress Report: North King Country Sports and Recreation Centre

Council considered a progress report on the King Country Indoor Sport and Recreation Centre.

The Special Projects Coordinator, General Manager – Business Support and General Manager – Community Services expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper updating progress on the build phase of the King Country Indoor Sport and Recreation Centre, be received.
- 2 Council confirms its representatives on the Project Control Group as Mayor Robertson and the Special Projects Coordinator, Greg Boyle (as Client Representative).

Goddard/Marshall Carried

15. Adoption of Road Map Work Programme 2022-2024

Council considered a business paper presenting for consideration and adoption an updated Road Map Work Programme for the period February 2022 to June 2024.

The Manager – Governance Support expanded verbally on the business paper and answered Members' questions.

Resolution

The business paper on Adoption of Road Map Work Programme for the period February 2022 to June 2024 be received.

Robertson/New Carried

16. Waikato Local Authority Shared Services – Western Bay of Plenty District Council Potential Shareholding

Council considered a business paper seeking approval to increase the number of shareholders in Waikato Local Authority Shared Services Limited.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Waikato Local Authority Shared Services – Western Bay of Plenty District Council potential shareholding be received.
- 2 Council supports Western Bay of Plenty District Council becoming a shareholder of Co-Lab on the following basis:
 - Western Bay of Plenty District Council is issued one (1) ordinary share in Co-Lab, for a consideration of \$1,000, noting that the share will remain uncalled.
 - Western Bay of Plenty District Council signs a deed acceding to the Shareholder Agreement dated 5 October 2005.
 - The constitution of Co-Lab be amended to reflect that WBOP will, together with Thames-Coromandel, Hauraki, and Matamata-Piako District Councils, be entitled to appoint one representative to the company's Board.

- Western Bay of Plenty District Council contribute at a rate of 100% to Co-Lab Management and Support costs, the Opportunity Development Fund, and any other request for funding in line with the formula previously agreed between the current shareholders; and
 - Western Bay of Plenty District Council will contribute a proportionate share to the “value” of opportunities currently under development.
- 3 Should a 75% shareholder approval in support be achieved, the Co-Lab Board and Chief Executive be delegated authority to approach Western Bay of Plenty District Council to establish whether they are willing to accept the offer, and if so, take the necessary action to complete the inclusion of Western Bay of Plenty District Council as a shareholder in Co-Lab.

Robertson/Marshall Carried

17. Motion to Exclude the Public

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.

Council noted the Amended Order Paper and tabled items of business and agreed to re-order the public excluded business after moving the 2021 Resident Survey into the public part of this meeting.

Resolution

- 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. Animal Control Services: Duke Street Dog Attack	Section 7(2)(a) To protect the privacy of natural persons, including that of deceased natural persons;	Section 48(1)(a)(1)
2. Lawrence Street, Te Kuiti – Kainga Ora Proposal	Section 7(2)(g) – To maintain legal professional privilege;	Section 48(1)(a)(1)
3. Raukawa Resource Consent Strategy - Co-design and Co-funding Proposal	Section 7(f) To maintain the effective conduct of public affairs through— the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) applies, in the course of their duty.	Section 48(1)(a)(1)

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
4. Objection to Recovery of Costs for Resource Consent – Taumatotara Wind Farm Limited (RM190041 and 200019)	Section 7(2)(g) – To maintain legal professional privilege;	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

- 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.

Robertson/Marshall Carried

The meeting adjourned for morning tea at 10.45am and reconvened at 11.04am.

The General Manager – Business Support and General Manager – Infrastructure Services left the meeting at 10.45am.

18. Consideration of Public Excluded Items to be made public following Council’s decision taking

Resolution

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

1 Animal Control Services: Duke Street Dog Attack

The Resolution only be made public as follows:

Resolution

The business paper on Animal Control Services: Duke Street Dog Attack be received.

Robertson/Brodie Carried

2 Lawrence Street, Te Kuiti – Kainga Ora Proposal

The Resolution only be made public as follows:

Resolution

The business paper on Lawrence Street, Te Kuiti – Kainga Ora Proposal be received.

Robertson/Smith Carried

3 Raukawa Resource Consent Strategy - Co-design and Co-funding Proposal

The Resolution only be made public as follows:

Resolution

This matter lie on the table to enable further information to be obtained.

Robertson/Marshall Carried

4 Taumatotara Wind Farm Limited (RM190041 and 200019) – Objection to Recovery of Costs for Resource Consent

The Resolution only be made public as follows:

Resolution

The business paper on Taumatotara Wind Farm Limited (RM190041 and 200019) - Objection to Recovery of Costs for Resource Consent be received.

Robertson/Smith Carried

Robertson/Goddard Carried

There being no further business the meeting closed at 11.33am.

Dated this day of 2022

JOHN ROBERTSON
MAYOR

Confidential Confidential

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Confidential

WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT, RISK AND FINANCE COMMITTEE HELD VIA ZOOM ON TUESDAY 15 FEBRUARY 2022 AT 9.00AM

PRESENT: Independent Chairperson Bruce Robertson, Mayor John Robertson, Deputy Mayor Guy Whitaker, Councillors Phil Brodie, Allan Goddard, Lisa Marshall, Janene New and Sue Smith

IN ATTENDANCE: Chief Executive, Chris Ryan; Manager – Governance Support, Michelle Higgie; General Manager – Business Support, Alister Duncan; Manager – Strategy and Policy, Alex Bell; General Manager – Community Services, Helen Beever; General Manager – Infrastructure Services, Shyamal Ram and Special Projects Coordinator, Greg Boyle

1. Declaration of Member Conflicts of Interest

No declarations of conflicts of interest with items on the Agenda were declared.

2. Confirmation of Minutes – 12 October 2021

Resolution

The Minutes of the Waitomo District Council Audit, Risk and Finance Committee meeting of 12 October 2021, including the Public Excluded minutes, be confirmed as a true and correct record.

B Robertson/J New Carried

3. Mastercard Expenditure Report (July – December 2021)

The Committee considered a business paper presenting for the Committee's information and consideration, details of expenditure incurred via Waitomo District Council issued Corporate Mastercard.

The Manager – Governance Support answered Members questions.

Resolution

The Mastercard Expenditure Report for the period July to December 2021 be received.

B Robertson/P Brodie Carried

4. Progress Report: Procurement Summary Schedule (July – December 2021)

The Committee considered a business paper presenting a a summary of the procurements made in the period 1 July 2021 to 31 December 2021 in accordance with Waitomo District Council's Procurement Policy.

The Chief Executive and General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

The Chair requested that the General Manager – Business Support circulate by email an update on the Audit Plan, noting the impact of COVID-19 on the procurement of other services.

Resolution

The Progress Report: Procurement Summary Schedule (July 2021 to December 2021) be received.

B Robertson/P Brodie Carried

5. Civic Financial Services Ltd - Statement of Intent 2022

The Committee considered a business paper presenting the Civic Financial Services Ltd Statement of Intent for the ensuing year.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Civic Financial Services Ltd Statement of Intent for the Year ended 31 December 2022 be received.
- 2 The Civic Financial Services Ltd Statement of Intent for the Year ended 31 December 2022 be received.

B Robertson/J New Carried

6. Impact of COVID-19 on Revaluation timeline and Progress Report: 2021 General Revaluation

The Committee considered a business paper providing an update on the impact of COVID-19 on the Waitomo District 2021 General Revaluation.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

The Impact of COVID-19 on Revaluation timeline and Progress Report: 2021 General Revaluation be received.

B Robertson/A Goddard Carried

7. MAGIQ Software Limited – Sale to Springbrook Software

The Committee considered a business paper informing of the sale of MAGIQ Software Limited to Springbrook Software.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

The business paper on MAGIQ Software Limited – Sale to Springbrook Software be received.

B Robertson/G Whitaker Carried

8. Draft Fraud and Corruption Policy

The Committee considered a business paper presenting the draft Fraud and Corruption Policy for recommendation to Council for adoption.

The General Manager – Business Support expanded verbally on the business paper and answered Members’ questions.

The Chief Executive reiterated that subject to the seriousness of any fraud or corruption crime, this Policy would be overruled by legislation.

The Committee noted the following for addressing in the draft Policy prior to consideration by Council –

- An overall edit for accuracy is required, including ensuring all references to “Fraud” also include “and/or Corruption” as appropriate.
- Add “Corruption” in the Definitions section.
- Amend Clause 3.3 to include in brackets after reference to the Protected Disclosures Act 2002 – “(also known as the Whistle Blowers Act)”.
- Amend Clause 4.2(c) by replacing “the Chief Executive” with “the Independent Member of the Audit, Risk and Finance Committee
- An additional clause 4.3 clarifying that in the event of suspected fraud and/or corruption involving the Chief Executive, the Mayor will assume all of the responsibilities and actions of the Chief Executive under this Policy.
- An additional clause 6.3 requiring that at the appropriate stage of any investigation, the Chief Executive will inform the Office of the Auditor General of such investigation.

Resolution

- 1 The business paper on Draft Fraud and Corruption Policy be received.
- 2 The Audit, Risk and Finance Committee recommend to Council the adoption of the draft Fraud and Corruption Policy subject to editorial amendment as discussed.

B Robertson/J New Carried

9. Draft Policy on Community Organisations Insurance Arrangements through Council – Recommendation to Council

The Committee considered a business paper presenting the Draft Policy on Community Organisations Insurance Arrangements through Council (Draft Policy) for consideration and, subject to amendment, recommendation to Council for adoption.

The General Manager – Business Support expanded verbally on the business paper and answered Members’ questions.

Resolution

- 1 The business paper on Draft Policy on Community Organisations Insurance Arrangements through Council be received.
- 2 The Audit, Risk and Finance Committee recommend to Council the adoption of the Policy on Community Organisations Insurance Arrangements through Council, subject to any amendments agreed at this meeting.

B Robertson/P Brodie Carried

10. Progress Report: Risk Management – Monitoring and Reporting

The Committee considered a business paper informing of progress in respect to the implementation of the Risk Management Framework.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

The business paper on Progress Report: Risk Management – Monitoring and Reporting be received.

B Robertson/L Marshall Carried

11. Progress Report: WDC Resource Consents – Compliance Monitoring

The Committee considered a business paper providing a brief on compliance reporting against Resource Consent conditions, due during the first quarter of 2021/22.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

The Progress Report, WDC Resource Consents – Compliance Monitoring, be received.

B Robertson/J New Carried

12. Progress Report: Health and Safety

The Committee considered a business paper providing a brief on Waitomo District Council's health and safety performance.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

The Progress Report: Health and Safety be received.

B Robertson/J New Carried

13. Financial and Performance Delivery Report - period ended 31 December 2021

The Committee considered a business paper providing an overall progress report on Waitomo District Council's financial and non-financial activities for the period ending 31 December 2021.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution


The business paper on Quarterly Report for period ended 31 December 2021 be received.

B Robertson/G Whitaker Carried

There being no further business the meeting closed at 11.50am.

Dated this day of 2021.

BRUCE ROBERTSON
INDEPENDENT CHAIRPERSON

Document No: A606756	
Report To:	Council
	Meeting Date: 29 March 2022
	Subject: Mayor's Report

Today we consider resetting the Board of Inframax Construction Ltd.

The recommendation from the members of the Investment Oversight Working Party is that Earl Rattray becomes the Chairman with the retirement of Chair Craig Rowlandson, and that three new members be appointed to the Board effective 1 April 2022.

Inframax was formed from the works department of the Council. Our Council is one of few in the country still owning such operations. The company is an important employer in our region. It holds the road maintenance contract for the district. As we have seen from the recent storm event, the staff know our roads well and are committed to maintaining them. The company also maintains roads of some other Councils and assists Fulton Hogan with a state highway contract as a sub-contractor.

As the sole shareholder we need to set our expectations for the Board. We do this formally through a Statement of Intent.

I have clear views as to what the Board should deliver in a financial sense. A net profit before tax of \$2 million should be achievable on current revenues of \$30 million.

We know that Inframax operates in a highly competitive industry in which big players such as Downers, Ventia, HEB, Higgins and Fulton Hogan dominate. To succeed the company must carve out its niche in the marketplace. It also needs to develop relationships with the big players so that partnership and sub-contracting opportunities can be won.

All of this is easier said than done. For this reason Council is strengthening the Board by increasing its size from two to four and bringing in additional skills and experience.

The reset Board will review the company's strategy and operations. They have a new Chief Executive who started at the beginning of this month. Her management style and skills will be critical to the success of the company.

The company has not had a smooth ride for over a decade. Profits before tax from 2014 to 2021 were \$9 million, an average of \$1.3 million per annum. These profits have clawed back some of the \$15 million of losses incurred in the period 2008 to 2013. To support its balance sheet, the shareholder injected \$2.8 million of equity capital into the company in two tranches in 2009 and 2011.

In October 2019 the company also had a fatal accident at its Te Kuiti depot. Sean Smyth was tragically lost. This accident, together with the impact on operations from COVID-19, has taken a toll on the company.

This is the historical record.

Should elected members make the appointments recommended today this new Board will focus on the future. I look forward to supporting the Board as it develops a strategic plan that meets the challenges of the marketplace, supports our community, and builds shareholder value.



JOHN ROBERTSON, QSO
MAYOR

Document No: A606339

Report To: Council



Meeting Date: 29 March 2022

Subject: **Inframax Construction Limited – Board Governance**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to inform Council of the resignation of current Inframax Construction Limited Chairperson, Mr Craig Rowlandson, effective 31 March 2022 and to present the recommendations of the Investment Oversight Working Party on the appointment of new Directors and a Chairperson to the Inframax Construction Ltd Board of Directors.
- 1.2 Members of the Investment Oversight Working Party (Mayor Robertson, Deputy Mayor Whitaker, and Councillor Goddard) will speak to this business paper at the meeting.

Background

- 2.1 Attached as background information is the business paper considered by the Council on 30 November 2021.

Commentary

3.1 Number of Directors Required

- 3.2 The ICL Constitution provides –

Number of Directors: The minimum and maximum number of Directors may be determined from time to time by the Council, and unless so determined, the minimum number shall be four and the maximum number shall be six.

- 3.3 Council at its 26 October 2021 meeting resolved that the ICL BoD consist of two Directors (including the Chairperson) until the vacancy created by the resignation of Andrew Johnson has been filled and no later than 1 April 2022, and then a minimum of three Directors (inclusive of the Chairperson).

3.4 Appointment of Directors Process

- 3.5 Council at its meeting of 30 November 2021 was presented with a process timeline as follows:

Action	Dates
Advertising of Directors Position	10 January to the 4 February 2022
Short listing of applications	7 February to the 18 February 2022
Interviewing of shortlisted candidates	21 February to the 28 February 2022
Selection of preferred candidate	28 February to 4 March 2022
Complete negotiations with preferred candidate	7 March to the 18 March 2022
Council Meeting: Appointment of Director	29 March 2022

- 3.6 Advertisements for the vacancies were placed with the King Country News, the Waikato Times and via the Institute of Directors website.
- 3.7 27 applications were received. The IOWP completed short listing of the applications to five, interviewing the five shortlisted candidates, selection of three preferred candidates and completion of negotiations with the three preferred candidates on Friday 11 March 2022.
- 3.8 The IOWP's three preferred candidates are:

Janie Elrick, CA	Janie is Waikato based and has been advising the ICL BoD over the past two years. Janie brings accounting skills to the BoD.
Hugh Goddard, Civil Engineer	Hugh is Auckland based and is the Managing Director of Pipe and Civil Limited. Hugh brings engineering and industry familiarity skills to the BoD.
Chris Ryan, Former CE of Waitomo District Council	Chris is Waikato based and brings knowledge of Council contracting processes to the BoD.

- 3.9 The CVs for the above three applicants have been circulated to the Council separately and do not form part of this business paper for confidentiality reasons.
- 3.10 The IOWP considered both the skill sets and personalities when deliberating, thinking about the BoD as a whole, and felt that the addition these three new Directors should make a well balanced BoD.
- 3.11 All three preferred candidates have accepted their appointments effective from 1 April 2022, subject to Council's endorsement.
- 3.12 Resignation of Chairperson – Craig Rowlandson**
- 3.13 Mid 2021, Craig Rowlandson indicated that he would resign from the BoD and Chairperson roles following the ICL Annual General Meeting in October 2021, however following the resignation of Director Andrew Johnson just prior to the AGM, Craig undertook to stay on until the vacancies on the BoD were filled.
- 3.14 Craig was first appointed as an ICL Director on 3 May 2011 and appointed Chairperson of the BoD on 19 December 2014.
- 3.15 On 3 March 2022, the Mayor received formal notification from Craig of his resignation from the BoD and Chairperson positions effective from 31 March 2022.
- 3.16 The IOWP consider that the appointment of current Director Earl Rattray as Chairperson of the BoD would bring continuity and governance skills. Earl is also Waikato based and was involved in the recent appointment of the new ICL Chief Executive, Vesta Gribben. Earl has agreed to take on the Chairperson role, subject to Council's endorsement.

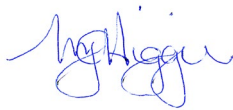
Recommendations

- 4.1 The IOWP recommends to Council –
- 1 Three new appointments be made to the BoD bringing the number of Directors to four (including the Chairperson). This is in line with the ICL Constitution requirements.
 - 2 The appointment of existing Director Earl Rattray as Chairperson of the ICL BoD, noting that Earl is Waikato based and brings continuity and governance skills and was involved in the recent recruitment of the new ICL Chief Executive.

- 3 The appointment of Janie Elrick C.A. to the ICL BoD noting that Janie is Waikato based, has already been advising the Board over the past two years and brings accounting skills to the BoD. Janie was also involved in the recent recruitment of the new ICL Chief Executive.
- 4 The appointment of Hugh Goddard, Civil Engineer to the ICL BoD noting that Hugh is the Managing Director of Pipe and Civil Limited and brings engineering and industry familiarity skills to the BoD.
- 5 The appointment of Chris Ryan, former Chief Executive of Waitomo District Council, noting that Chris is Waikato based and brings knowledge of Council contracting processes to the BoD.

Suggested Resolutions

- 1 The business paper on Inframax Construction Limited – Board Governance be received.
- 2 Three new appointments be made to the Inframax Construction Limited Board of Directors to bring the number of Directors to four (including the Chairperson) in line with the Inframax Construction Limited Constitution.
- 3 Council appoint Earl Rattray as Chairperson of the Inframax Construction Limited Board of Directors effective 1 April 2022.
- 4 Council appoint Janie Elrick to the Inframax Construction Limited Board of Directors effective 1 April 2022.
- 5 Council appoint Hugh Goddard to the Inframax Construction Limited Board of Directors effective 1 April 2022.
- 6 Council appoint Chris Ryan to the Inframax Construction Limited Board of Directors effective 1 April 2022.
- 7 Council accept the resignation of Craig Rowlandson as Director and Chairperson effective 31 March 2022 and record its appreciation to Craig for his governance contribution to Inframax Construction Limited, firstly as a Director for the period 3 May 2011 to 18 December 2014 and then as Chairperson for the period 19 December 2014 to 31 March 2022.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Attachment: Council Business Paper – 30 November 2021: Inframax Construction Ltd – Board Governance

Document No: A585705

Report To: Council



Meeting Date: 30 November 2021

Subject: **Inframax Construction Limited – Board Governance**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the process for the appointment of a Director to the Inframax Construction Board.

Background

- 2.1 Waitomo District Council has a 100% shareholding investment in the construction company Inframax Construction Limited.
- 2.2 The Chairman of the Board has received the resignation from Andrew Johnson, following discussion with Waitomo District Council, Mr. Johnson's resignation was accepted with immediate effect.
- 2.3 An extract of the Council resolution at the meeting on the 26 October follows:
 - 1 *The business paper on Inframax Construction Limited – 2021 Annual General Meeting be received.*
 - 2 *Council accept the resignation of Andrew Johnson from the Inframax Construction Limited Board of Directors.*
 - 3 *Pursuant to Clause 11.1 of the Inframax Construction Limited Constitution, Council confirm that the Inframax Construction Limited Board of Directors consist of two Directors (including the Chairperson) until the vacancy created by the resignation of Andrew Johnson has been filled and no later than 1 April 2022, and then a minimum of three Directors (inclusive of the Chairperson).*
 - 4 *Pursuant to Clause 11.6.3 of the Inframax Construction Limited Constitution, Council reappoint Craig Rowlandson to the Inframax Construction Limited Board of Directors following retirement by rotation.*
 - 5 *Pursuant to Clause 13.4 of the Inframax Construction Limited Constitution, Council reappoint Craig Rowlandson as Chairperson the Inframax Construction Limited Board of Directors following retirement by rotation.*
 - 6 *Pursuant to Sections 2.3 and 3.3 of Council's Policy on Appointment of Directors to Council Controlled Organisations 2021, the Inframax Construction Limited Director remuneration rates be as follows:*
 - *The Board Chair remuneration is to be set at \$60,000 per annum*
 - *The Board Directors remuneration is to be set at \$30,000 per annum*
 - 7 *Council note that the Board of Directors intend to continue the engagement of Janie Elrick as an Advisor to the Inframax Construction Limited Chief Executive.*
 - 8 *Council start the process of filling the vacant Director position(s) in accordance with Section 3 of Council's Policy on the Appointment of Directors to Council Controlled Organisations.*

- 2.4 Section Three of Council's Policy on Appointment of Directors to Council Controlled Organisations outlines the general process for the appointment of Directors to Inframax Construction Limited as follows:

Procedures for Appointment of Directors to Inframax Construction Limited

NOTE: This section is to be read in conjunction with the Constitution of Inframax Construction Limited.

3.1 Appointment Process

- 1.1.1 Directors on the board of Inframax Construction Limited (ICL) will be appointed by way of Council resolution on receipt of advice/recommendation by the Investment Oversight Working Party. The Investment Oversight Working Party will provide advice to Council on the following matters:
- a) Whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:
 - i. Recruiting of candidates,
 - ii. Contract development and negotiation,
 - iii. Ongoing performance monitoring.
 - b) In preparation of this advice the Investment Oversight Working Party will consider:
 - i. The costs and benefits of any advertisement,
 - ii. The availability of qualified candidates,
 - iii. The urgency of the appointment,
 - iv. The degree of public interest in the issue.
 - c) The Investment Oversight Working Party will select and interview a shortlist of candidates, undertake a structured evaluation and make recommendation to Council for final approval. Council may consider applications and resolve an appointment in committee (this protecting the privacy of natural persons). Public notice of the appointment will be made as soon as practicable after Council has made its decision.
 - d) An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment and may not continue to be an elected member if appointed as a director of ICL.

Commentary

- 3.1 Following Council's resolution of 26 October 2021, the Investment Oversight Working Party has considered the appointment process and consider it prudent to advertise the position to attract suitably qualified candidates. Advertisements will be placed with the King Country News, the Waikato Times and via the Institute of Directors website. The process will be managed inhouse.
- 3.2 The process timeline is as follows:

Action	Dates
Advertising of Directors Position	10 January to the 4 February 2022
Short listing of applications	7 February to the 18 February 2022
Interviewing of shortlisted candidates	21 February to the 28 February 2022
Selection of preferred candidate	28 February to 4 March 2022

Action	Dates
Complete negotiations with preferred candidate	7 March to the 18 March 2022
Council Meeting: Appointment of Director	30 March 2022

- 3.3 The shortlisting and interviewing of candidates will be conducted by the Investment Oversight Working Party.

Considerations

4.1 RISK

- 4.2 The reduction in the number of Directors places additional workload on the remaining Directors and has reduced the resilience of the Board to operate effectively.

4.3 CONSISTENCY WITH EXISTING PLANS AND POLICIES

- 4.4 The appointment of a Director is consistent with existing plans and policies.

4.5 SIGNIFICANCE AND COMMUNITY VIEWS

- 4.6 This decision is not a significant decision pursuant to Council's Significance and Engagement Policy.

Suggested Resolutions

- 1 The business paper on Inframax Construction Limited - Appointment of Director be received.
- 2 Council note the advice of the Investment Oversight Working Party to appoint a Director to Inframax Construction Limited and the process timeline.



ALISTER DUNCAN
GENERAL MANAGER BUSINESS SUPPORT

23 November 2021

Document No: A606065

Report To: Council



Meeting Date: 29 March 2022

Subject: **Inframax Construction Ltd - Half Annual Report to 31 December 2021**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present the Half Annual Report to 31 December 2021 for Inframax Construction Ltd (ICL).

Background

- 2.1 Section 66 of the Local Government Act 2002 determines that the Board of a Council Controlled Organisation (CCO) must deliver a half yearly report on the organisation's operations to the shareholder by end of February of each year and this report must contain any information required under its Statement of Intent.
- 2.2 Attached to and forming part of this business paper is a copy of the ICL half annual report for the six months ended 31 December 2021.

Commentary

- 3.1 **Half Annual Report to 31 December 2021**
- 3.2 The Chairperson's report provides an overview of the first half of the 2021/2022 financial year, the key points are Covid-19 has continued to cause issues and delays in large construction contracts and inflationary pressures eroding the budgeted margins on contracts tendered in the previous 12 to 18 months.
- 3.3 Overall revenue is up by 14.6% (\$2.064m) on the same period last year, while EDITDA has decrease by \$753,000 over the corresponding period in 2021. Total assets have increased by \$1.092m, while equity has increased by \$318,000.
- 3.4 The Statement of Intent (SOI) for 2022 sets out performance measures and targets for the year ended 30 June 2022. These measures and targets are detailed in the following table along with indicative results for the six months.
- 3.5 The six month results provide an indication of progress towards target during the period. The full year result against SOI targets will be reported in the 2021/22 annual report.

SOI Measure	2020/21 Full Year Target	Dec-20
		Result
Equity Ratio (Shareholder funds as % of total assets)	62%	57%
Current Ratio (current assets as a % of current liabilities)	Positive	Positive
EBITDA (earnings before tax, interest, depreciation and amortisation)	\$2.5m	\$0.4m
Revenue Target	\$35.0m	\$16.0m
Lost time injury frequency rate	Zero	23
Accident compensation days	200	25
Achievement of ISO9001 accreditation	Standard achieved	Standard achieved
Environmental consent compliance	Full compliance	2 Partly compliant 5 Highly compliant
Number of local events supported	15	7

Recommendation

- 4.1 The Inframax Construction Limited – Half Annual Report to the 31 December 2021 be received.

Suggested Resolutions

- 1 The business paper on Inframax Construction Limited - Half Annual Report to the 31 December 2021 be received.
- 2 The Inframax Construction Limited – Half Annual Report to the 31 December 2021 be received.
- 3 The Inframax Construction Limited – Half Annual Report to the 31 December 2021 be published on Council’s website.

ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

14 March 2022

Attachment: Inframax Construction Limited - Half Annual Report to the 31 December 2021 (A606066)



Inframax Construction Limited

Half Annual Report

For the six months ended 31 December 2021





Inframax Construction Limited
("Inframax" or "the Company")

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**INFRAMAX CONSTRUCTION LIMITED
CHAIRMAN'S REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

For the second year in a row, Inframax has been affected by the ongoing issues caused by Covid-19. As was the case in the first half of 2020, contracts have been slow to get started and then delays were caused by lockdowns. These lockdowns mean there are less chargeable workdays available and therefore revenue is lost.

It has been challenging for managers to meet budgeted margins on contracts that were tendered in the previous 12–18 months due to inflationary pressures, especially for labour and fuel. Supply chain issues have also caused delays in getting parts to do necessary repairs to some equipment. Due to these delays, there have been additional costs for the hireage of essential plant.

All the Inframax staff have helped achieve the 14.6% increase in revenue for the six-month period compared to the previous year, and it is also pleasing that despite all the challenges presented during the period, the Company had a positive EBITDA of \$424,000. Equity increased by \$318,000 over the same period.

Summary of financial Results (\$,000)		
Six months to 31 December (unaudited)	2021	2020
Revenue	16,199	14,135
EBITDA	424	1,177
Net cash inflow/(outflow) from operating and investing activities	(374)	(320)
Total Assets	20,572	19,480
Total Equity	11,725	11,407
Equity Percentage	57%	59%

To decrease the risks caused by inflationary pressures, Inframax has increased its margin on tendered contracts. The Company is seeing less tenders in the box, consistent with what other industries are witnessing. Companies in all industries don't want to win tenders and then find they can't staff them or get them finished on time.

I want to thank Andrew Johnson, who retired from the Inframax Board in October, for his contributions over the previous five years. The Shareholder is in the process of appointing a new Director who should be in place before 31 March 2022.

Chris Hayward also informed the Inframax Board during the period of his intention to step down as the Company CEO in March 2022. The Inframax Board is pleased to announce the appointment of Vesta Gribben as the new CEO who will start in early March 2022. The Inframax Board acknowledges the effort that Chris has put in since his appointment as CEO in December 2011.

Craig Rowlandson
Chairman
Inframax Construction Limited



**INFRAMAX CONSTRUCTION LIMITED
STATEMENT OF PERFORMANCE MEASURES
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

	Statement of Intent 2022		Statement of Intent 2021	
	Achieved – six months to Dec 21	Full Year Target	Achieved - six months to Dec 20	Full Year Target
The Statement of Intent states the Company will endeavour to exceed the targets of the Projected Business Plan. The results achieved compare with performance criteria in the Statement of Intent as follows:				
PERFORMANCE MEASURES				
Equity Ratio	57%	62%	59%	55%
Current Ratio	Positive	Positive	Positive	Positive
Revenue	\$16m	\$35m	\$14m	\$29m
Bank Covenants	Unconditionally met	Unconditionally met	Unconditionally met	Unconditionally met
Earnings before Interest, Taxation, Depreciation & Amortisation	\$0.4m	\$2.5m	\$1.2m	\$1.6m
The Equity Ratio is the Shareholders' Funds expressed as a percentage of Total Assets.				
NON-FINANCIAL PERFORMANCE MEASURES				
Lost Time Injury Frequency Rate Calculated as the number of lost time injuries per million hours worked.	23	Zero	Zero	Zero
Accident Compensation Days (from latest data available 30 September 2021)	25	200	174	200
ISO 9001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved	Standard Achieved
Environmental Consent Compliance Assessed level of environmental consents by Waikato Regional Council:				
Non-compliant	-		-	
Partially compliant	2	All	2	All
Highly compliant	5		5	
Fully compliant	-		-	
Not assessed	2		2	
(Most current consent data awaiting update from WRC)				
Support of local events in operating area: Number of local events within operational areas where the Company provided complimentary goods, services or financial support. Four events were cancelled due to COVID-19, but Traffic Management work had been completed under sponsorship for the event prior to cancellation.				
	7	15	9	12

Document No: A606079

Report To: Council



Meeting Date: 29 March 2022

Subject: Inframax Construction Ltd – Draft Statement of Intent for Year Ending 30 June 2023

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the draft Statement of Intent (SoI) for Inframax Construction Ltd (ICL) for the year ending 30 June 2023.

Background

- 2.1 Section 64 of Local Government Act 2002 (LGA 2002) requires all council-controlled organisations (CCO) to have a SoI that must not be inconsistent with the constitution of the CCO.
- 2.2 The purpose of an SoI as set out in Schedule 8 of LGA 2002 is to —
- (a) state publicly the activities and intentions of a CCO for the year and the objectives to which those activities will contribute; and
 - (b) provide an opportunity for shareholders to influence the direction of the organisation; and
 - (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.
- 2.3 The SoI must specify the following information for the CCO and any subsidiaries for next year (i.e. 2022/23) and the following two financial years:
- (a) the objectives of the group; and
 - (b) a statement of the board's approach to governance of the group; and
 - (c) the nature and scope of the activities to be undertaken by the group; and
 - (d) the ratio of consolidated shareholders' funds to total assets, and the definitions of those terms; and
 - (e) the accounting policies of the group; and
 - (f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
 - (g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
 - (h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and
 - (i) the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and

- (j) any activities for which the board seeks compensation from any local authority (whether or not the local authority has agreed to provide the compensation); and
 - (k) the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
 - (l) any other matters that are agreed by the shareholders and the board.
- 2.4 Attached to and forming part of this business paper is a copy of the Inframax Construction Ltd draft Statement of Intent (ICL SoI) for 2022/23.
- 2.5 The Board of a CCO must deliver to its shareholders a draft SoI by 1 March each year for consideration. The Shareholders are invited to provide comments on the draft SOI within 2 months of 1 March. The Directors must then consider any Shareholder comments and deliver the completed SoI to Shareholders by 30 June.
- 2.6 Council developed and delivered to ICL a Statement of Expectation in December 2020, the Statement of Expectation is attached and forms part of the business paper.
- 2.7 Council is now invited to consider the draft SoI 2023 and provide comments should it choose to.

Commentary

- 3.1 The Board have presented a draft SoI 2023 that is generally consistent with the Statement of Expectation 2021-2022. There is an inconsistency, the reporting of financial information.
- 3.2 The general expectation of financial information, *"The SOI must include a complete set of high level prospective financial statements for at least three years (preferably five years) i.e. Statement of Comprehensive Income, Statement of Financial Position and Cash-flow Statement"*, these prospective financial statements have not been included in the draft SoI 2023.
- 3.3 The key financial performance measures from the draft SoI 2023 have been included in the table below, with the measures from the SoI 2022 for comparative purposes.
- 3.4 There is a decreases in the Equity Ratio from 65% to 60% the draft financial targets set for the SoI 2023 in comparison to the targets set in the SoI 2022. There has been on change to the other financial targets.
- 3.5 These targets reflect a conservative outlook due to the uncertainty of the COVID-19 affected local economy.

Measure	Current SoI 2022	Current SoI 2023	Draft SoI 2023	Draft SoI 2024	Draft SoI 2025
Equity Ratio (shareholders' funds as a % of total assets)	62%	65%	60%	61%	62%
Current Ratio (current Assets expressed as a % of current liabilities)	Positive	Positive	Positive	Positive	Positive
EBITDA (earnings before interest, tax, depreciation and amortisation)	\$2.5m	\$2.6m	\$2.6m	\$2.7m	\$2.8m
Revenue targets	\$35m	\$35m	\$35m	\$36m	\$36m
Bank covenants	Met	Met	Met	Met	Met

3.6 The non-financial performance measures tabled below. There is a significant change in the Accident Compensation days from 985 days in the current SoI to 100 days, this is due to actual results trending better than expected and a change in the calculation of the performance measure following advice from the Auditors.

Measure	Current SoI 2022	Current SoI 2023	Draft SoI 2023	Draft SoI 2024	Draft SoI 2025
Lost Rime Injury Frequency Rate	Zero	Zero	Zero	Zero	Zero
Accident Compensation days	985	850	100	100	100
ISO 9001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved	Standard Achieved	Standard Achieved
ISO 45001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved	Standard Achieved	Standard Achieved
Environmental Consent Compliance	Full Compliance	Full Compliance	Full Compliance	Full Compliance	Full Compliance
Number of Local Events supported	15 (Waitomo district 9 other 6)	15 (Waitomo district 9 other 6)	15 (Waitomo district 9 other 6)	15 (Waitomo district 9 other 6)	15 (Waitomo district 9 other 6)

Analysis of Options

- 4.1 Council, as the 100% shareholder, needs to consider the draft SoI 2023 and has the option of agreeing to it as presented as per s65 (2) (subject to confirmation of performance measures/targets/indicators from the Board).
- 4.2 Council also has the option of proposing further amendments to the SoI for the ICL Board to consider.
- 4.3 If Council intended to propose any amendments it would first need to notify the ICL Board in writing of an extension of the response deadline by one month, then provide the amendments.
- 4.4 The notification would also need to extend the deadline by one month for the Board to deliver a complete statement of intent.
- 4.5 The Board must consider any comments by the shareholders on the draft SoI that are made to it within 2 months of 1 March or a period that is notified and then deliver the completed SoI to the shareholders on or before 30 June or at a date notified.

Considerations

- 5.1 **Risk**
- 5.2 If Council does not consider and decide either to agree to the draft SoI 2022 at this meeting or propose changes to the draft SoI 2022, then it runs the risk of non-compliance with legislative requirements around preparation and adoption of the SoI.
- 5.3 There is additional risk that ICL Board and Management will not be able to plan well and in advance, any strategy or financial changes they might need to make to accommodate the suggestions of Council.

5.4 **Consistency with Existing Plans and Policies**

5.5 The decision to agree on the draft SoI 2023 as presented will be consistent with Council's understanding of the future plans of ICL and its objectives for the CCO.

5.6 **Significance and Community Views**

5.7 The draft SoI 2023 is aligned to ICL's constitution and its 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.

Recommendation

6.1 The draft Statement of Intent be received.

6.2 Council responds to the Board of Inframax Construction Ltd, requesting that high level financial statements be prepared and included in the final SoI 2023.

Suggested Resolutions

1 The business paper on Draft Statement of Intent for year ending 30 June 2023 be received.

2 The draft Statement of Intent for the year ending 30 June 2023, be received.

3 Council respond to the Board of Inframax Construction Ltd, requesting that high level financial statements be prepared and included in the final SoI 2023



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

7 March 2022

Attachments:

- 1 Inframax Construction Ltd draft Statement of Intent Year Ending 30 June 2023 (A606081)
- 2 Statement of Expectation 2021-2022 Inframax Construction Limited (A498203)

Inframax Construction Limited

STATEMENT OF INTENT

FOR THE YEAR ENDING 30 JUNE 2023

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.

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.

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	30 June 23	30 June 24	30 June 25
6.1 Equity Ratio Shareholders Funds expressed as a % of Total Assets	60%	61%	62%
6.2 Current Ratio Current Assets expressed as a % of Current Liabilities	Positive	Positive	Positive
6.3 EBITDA Earnings Before Interest, Tax, Depreciation and Amortisation	\$2.6m	\$2.7m	\$2.8m
6.4 Revenue Revenue Targets	\$35m	\$36m	\$36m
6.5 Bank Covenants 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 30th June 2023 relative to the number of hours worked in the same period.

$$\frac{\text{Total lost time injuries in 2023}}{\text{Total hours worked in 2023}} \times 1,000,000$$

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 local events supported in operating area

Number of local events supported by the Company indicates that the Company is acting in a socially responsible manner, supporting and adding value to local communities in its operating area.

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	30 June 23	30 June 24	30 June 25
7.1 LTI Frequency Rate	Zero	Zero	Zero
7.2 ACC Weekly Compensation Days	100	100	100
7.3 ISO 9001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved
7.4 ISO 45001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved
7.5 Environmental Consent Compliance	Full Compliance	Full Compliance	Full Compliance
7.6 Number of Local Events Supported	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 2022/2023 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** An independent valuation of the shares in the company dated 8 September 2020 concluded that the fair value of 100% of the shares in the Company at 30 June 2020 was \$11.0m.
- 12.2** The Directors believe that value of the shares will continue to grow.
- 12.3** Net Assets in the Annual Report as at 30 June 2021 stood at \$11.94m.

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.

STATEMENT OF EXPECTATION

- 1.1 This Statement of Expectation (SOE) is intended to inform the Board of Inframax Construction Limited (Inframax) of the shareholders' high-level strategic direction and performance expectations in advance of your preparation of the Statement of Intent (SOI) 2021/22. In clarifying our expectations early, we expect that the passage of your SOI through to acceptance by Waitomo District Council will be more efficient and effective.
- 1.2 The Board and Inframax must be mindful that Waitomo District Council (Council) is accountable to its community and that the affairs of Inframax, positive and negative, can impact on Council. It is expected that the Board and Inframax will keep Council advised of any issues that may generate public interest – this is referred to as the 'no surprises' approach.

STATEMENT OF INTENT 2021/22

- 2.1 Council expects that Inframax will treat the SOI as more than a strict compliance document and will aim for best practice. This will entail a SOI covering more than the statutory minimum requirements. As the 100% shareholder, Council is particularly interested in financial stability and profitability.
- 2.2 The SOI must meet the requirements set out in the Local Government Act 2002. Council wishes to support the company in delivering a good SOI.
- 2.3 The general expectations for Inframax are as follows:
 - 1 The SOI must include a complete set of high level prospective financial statements for at least three years (preferably five years) i.e. Statement of Comprehensive Income, Statement of Financial Position and Cash-flow Statement.
 - 2 The SOI must disclose measures such as Earnings before interest, tax, depreciation and amortisation (EBITDA) and balance sheet ratios where applicable.
 - 3 The SOI must fully comply with Schedule 8 of the Local Government Act 2002 (LGA).
 - 4 Dividends are to be disclosed along with the dividend pay-out policies. Where dividends are not increasing over time, then an explanation should be provided. E.g. increased capital expenditure.
 - 5 Capital expenditure and asset management intentions should be included.
 - 6 Inframax should use the same information for both managing the business and reporting through to the shareholders i.e. the information used for setting and reporting against for the SOI should overlap and be a subset of the information used for internal reporting.
 - 7 SOI and other reports should be in a plain style, concise, relevant, accessible and focused on meeting the needs of the Council and the community they represent. The use of graphs, tables and charts is expected to convey both financial and non-financial information along with trends (past, current and future numbers).

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- 8 To be effective, the SOI must disclose the performance story for Inframax, providing a clear and succinct understanding of the purpose, the goods and services it delivers and what success looks like.
- 9 The main aspects of the SOI performance story are:
- 1 Strategic context
 - 2 Specifying and presentation of the outcomes framework
 - 3 Main measures and targets, outcomes and objectives
 - 4 Linking the strategy outputs and performance measures together to provide a comprehensive view of the Boards vision.
- 10 **Risk Management** - Council would like to understand better in the SOI how the Board is considering and managing risks, including natural hazards and climate change.
- 11 **Sustainability** – Council wishes to gain a better understanding from the SOI, how the Board is addressing sustainability including carbon emissions and waste minimisation.
- 12 **Health and Safety** - given the Health and Safety at Work Act 2015 (the Act), it is appropriate for the Council to set out its expectations in relation to Health and Safety.
- Under section 44(3) of the Act elected members do not have a duty to exercise due diligence to ensure that any CCO complies with its duties or obligations under the Act unless that member is also an officer of that CCO.
 - However, as a key funder it is still appropriate to set out expectations of Health and Safety management. Council expects the Board to set appropriate Health and Safety strategy and policy, understand the nature of risks/hazards within the business, monitor performance and activities to ensure risk is being managed and review H&S systems and performance.
- 13 **Governance Performance** - in order to aid Council when making decisions on Board remuneration and appointments, the Board should undertake regular evaluation of its own performance:
- Council expects these reviews to be carried out at least once every eighteen months,
 - The Chair of the Board should reference this evaluation when making recommendations.
- 14 **Community Consultation** -Before making a decision that may significantly affect land or a body of water, Inframax must take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga. This is a new provision in the LGA effective from 22 October 2019.
- 15 **Communication** - communication is more than formal reporting. It means two-way dialogue and a commitment to sharing strategic priorities and

objectives. It also means responding promptly and appropriately on issues raised. Council's expectations around regular reporting include:

- Six monthly reporting and governance meetings between the Board and Council's Audit Risk and Finance Committee to allow progress against agreed outcomes to be measured as per the SOI.
- Informal briefing meetings convened every two months, hosted by the Board and attended by Council nominated elected members to support governance relationships.
- Other meetings at an operational level as required, to support financial and non-financial reporting obligations under the LGA, the Financial Markets Conduct Act 2013 and any other relevant legislation or regulation, and to enable the sharing of information and ensure the 'no surprises' approach is effective.

2.4 There are also some specific expectations in relation to Inframax Construction Limited this year, they are as follows:

- 1 Increase the Equity ratio towards the target of 60%
- 2 Achieve an EBITDA of greater than \$2 million
- 3 Provide support to 4 Local activities in the Waitomo District
- 4 Maintain ISO 9001 and ISO 45000 Accreditation
- 5 Ensure all conditions of a Resource Consent are complied with when undertaking any activities associated with a resource consent.

Document No: A606398

Report To: Council Meeting



Meeting Date: 29 March 2022

Subject: Co-Lab – Half-yearly Report to 31 December 2021

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present the Half-yearly Report to 31 December 2021 for Co-Lab.

Background

- 2.1 Section 66 of the Local Government Act 2002 determines that the board of a Council Controlled Organisation (CCO) must deliver a half yearly report on the organisation's operations to the shareholder by end of February of each year and this report must contain any information required under its Statement of Intent.
- 2.2 Attached to and forming part of this business paper is a copy of the Co-Lab half-yearly report for the six months ended 31 December 2021.

Commentary

- 3.1 Co-Lab has two fundamental roles:
- 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
 - It provides services to councils.
- 3.2 In December 2021 the Board revisited Co-Lab's vision, the updates vision is for "Our councils to be maximizing the value they provide to their communities", Co-Lab's purpose is "to support councils to achieve this vision, by making it easier for them to identify and realise shared opportunities".
- 3.3 The financial performance for the six months to 31 December 2021 resulted in a surplus of \$2.379, \$67k more than budgeted and \$1.681 more than the same period last year.
- 3.4 The Revenue and expenditure are both higher than anticipated. While this is expected to trend closer to budget over the second half of the financial year, we are now forecasting a full-year profit of \$104k (against a budgeted loss of \$336k).

	2022 actual YTD \$000	2022 forecast YTD \$000	Variance \$000 (actual v budget)	2022 budget Full Year \$000
Total income	5,409	4,972	437	12,000
Total operating expenditure	3,030	2,660	370	12,336
Net surplus before tax	2,379	2,312	67	(366)


3.5 There are currently twelve major initiatives operating under the Co-Lab umbrella, plus a number of Working Parties investigating new opportunities, and a support role for the collaborative work streams of the Waikato Mayoral Forum.

3.6 The report provides the six-month highlights:


- Co-Lab Water Services;
- Waikato OneView;
- Shifting Landscapes – Community Needs Analysis;
- Collaboration on COVID-19 vaccinations;
- Learning and Development Shared Services;
- Customer Digital Enablement;
- Customer Building Journey – the Building Consent Shared Services project;
- Asset management Centre of Excellence;

3.7 An update on performance against target, as at 31 December 2021 is tabled below:

Outcomes	Council costs are reduced / performance is improved, without increase cost	The experiences of councils' communities are improved	Central government investment into and engagement with Waikato councils is increased
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Priority	Performance measure	Target	Outcome (progress toward target)
<p>Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Link to outcomes in the performance framework</p>  </div>	<p>➤ Business cases will include measurable benefits linked to one or more of the outcomes sought</p>	<p>Projected savings/increased revenue to councils of at least \$300k</p>	<p>➤ Various opportunities continued to advance during the first six months of the financial year. Those opportunities included:</p> <ul style="list-style-type: none"> - The first initiative under the Customer Digital Enablement programme of work - The Asset Management Centre of Expertise - Learning & Development Shared Services (LDSS) implementation (following the Board's approval of the business case in June 2021) - Shifting Landscapes – Community Needs Analysis - BCSS – the Customer Building Journey <p>➤ By their nature, some of these opportunities do not lend to readily quantifiable benefits. An</p>

Priority	Performance measure	Target	Outcome (progress toward target)
			<p>example of this is the Community Needs Analysis: a project supporting eight of the councils by providing learnings grounded in stories of past successes and failures, that can be used by councils in their discussion with stakeholders relating to the Future for Local Government review</p> <ul style="list-style-type: none"> ➤ The other projects are under development and yet to be finalised with a determination of quantifiable benefits (LDSS benefits were reported in the 2021 Annual Report) ➤ Business cases are also be established for some more significant joint procurements
	<ul style="list-style-type: none"> ➤ Businesses cases are supported by councils (evidenced by take up of the opportunity) 	75% of councils	<ul style="list-style-type: none"> ➤ Unable to measure: No proposals have been put to councils during the period
<p>Develop opportunities and deliver projects within agreed budgets and timelines</p> <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> <p>Link to outcomes in the performance framework</p> </div>	<ul style="list-style-type: none"> ➤ Opportunities / projects are developed / delivered within agreed timelines 	80%	<p>17%: Various externalities have impacted our ability to develop opportunities within the timelines originally anticipated. The single greatest impact has been the capacity of council staff to work with Co-Lab on opportunity development. COVID-19 is the root cause of those capacity constraints, and we see the risk of staff availability increasing over the coming months with the community spread of Omicron. We have regularly communicated with councils to keep them informed of timing and the reason(s) for delays. We have also regularly engaged with Council Executives to ensure the pace of delivery is appropriate having regard to their staffs' capacity</p>
	<ul style="list-style-type: none"> ➤ Opportunities / projects are developed / delivered, within approved budget 	90%	<p>No projects were concluded during the six-month period. However, those opportunities under development all remain on track to come within budget</p>
	<ul style="list-style-type: none"> ➤ Overall, Company Management / Support functions will be undertaken within budget, 		<p>Actual expenditure for Company Management and Support functions is slightly favourable to that budgeted for the period</p>

Priority	Performance measure	Target	Outcome (progress toward target)
	unless additional expenditure has board pre-approval		
<p>Ensure projects realise their expected benefits</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-top: 10px;"> <p>Link to outcomes in the performance framework</p>  </div>	<p>➤ Measurable benefits are actively monitored and reported against</p>	<p>Six-monthly</p>	<p>Management presented two “Project Benefit Assessments” to the Audit & Risk Committee during the period. One of these is being resubmitted following further consultation with council staff</p>
	<p>➤ Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)</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>	<p>The Audit & Risk Committee assessed the performance of the Professional Services Panel as presented by Management</p> <p>Overall, five of the seven benefits are considered to have been realised, and given the significant time and cost savings, the target of 90% achieved. During the first 19 months, the estimated council spend with PSP contractors is ~\$83m, with estimated savings across the councils of \$14m</p>
<p>Ensure existing services are meeting the needs of councils</p>	<p>➤ The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):</p> <ul style="list-style-type: none"> ○ RATA – roading & waters ○ Waikato Building Cluster ○ Regional Infrastructure Technical Specifications ○ Energy & Carbon Management ○ Professional Services Panel ○ Health & Safety pre-qualification 	<p>80% of councils</p>	<p>Not currently measurable: As in the prior year we will be undertaking a survey of council staff in the first half of 2022 to ensure each service offering is continuing to meet the needs of councils – the feedback in 2021 was that they were.</p>
<p>Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice</p>	<p>➤ Across these groups, ideas for future consideration and/or initiatives are identified each year</p>	<p>Four per annum</p>	<p>The Insurance Advisory Group agreed to engage Aon to undertake an assessment of potential losses to Waikato councils’ three-waters reticulation networks and flood protection assets due to earthquake damage. This work will be undertaken in the first half of 2022</p>

Priority	Performance measure	Target	Outcome (progress toward target)
<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"> Link to outcomes in the performance framework </div> <div style="display: flex; width: 100%; height: 15px;"> <div style="width: 20%; background-color: #4F81BD;"></div> <div style="width: 80%; background-color: #8B6914;"></div> </div>			<p>Co-Lab facilitated fortnightly sessions with the council People & Capability Managers in response to the rollout of vaccine passes. Members collaborated to share thinking and leverage policy and other documentation relating to mandatory (or otherwise) vaccination policies</p> <p>Procurement Managers have been involved in a few joint procurements. Some councils have also expressed interest in access to a central procurement resource (that would be provided by Co-Lab). This initiative is being developed and a proposal will be presented to councils in the first quarter of 2022</p>

Recommendation

- 4.1 The Waikato Local Authority Shared Services Limited – Half Annual Report to the 31 December 2021 be received.

Suggested Resolutions

- 1 The business paper on Waikato Local Authority Shared Services Limited – Half Annual Report to the 31 December 2021 be received.
- 2 The Waikato Local Authority Shared Services Limited – Half Yearly Report to the 31 December 2021 be received.
- 3 The Waikato Local Authority Shared Services Limited – Half Yearly Report to the 31 December 2021 be published to Council’s website.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

17 March 2022

Attachment(s): 1 Waikato Local Authority Shared Services Limited – Half Annual Report to the 31 December 2021 (A606399)



Half-yearly report (un-audited)

1 July 2021 to 31 December 2021

Our councils are maximising the value they provide to their communities. We support them in doing so by making it easier for councils to identify and realise shared opportunities.

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Overview of Co-Lab

Co-Lab¹ is owned in equal portion by the 12 Waikato Local Authorities:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Ōtorohanga District
- Rotorua Lakes
- South Waikato District
- Taupo District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipa District
- Waitomo 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 services to councils.

Statement of service performance

Vision and purpose

At a meeting in December 2021, the Board revisited the company's vision. Co-Lab's updated **vision** is for our councils to be maximising the value they provide to their communities. Co-Lab's **purpose** is to support councils to achieve this vision, by making it easier for them to identify and realise shared opportunities. The **outcomes** we are seeking remain unchanged and are encapsulated in the company's performance framework (see following page).

Six-month highlights

The second half of 2021 saw Co-Lab progress several new initiatives, bed in a new service offering, and launch a new product to Waikato communities.

The company also re-branded to better reflect what we are about, established value statements, and moved into new premises in Cambridge.

This was against a backdrop of significant uncertainty with the continuing impact of COVID-19 and central government reforms. It has been challenging for the company. We recognise the significant pressures our councils face. Increasingly that is impacting the company, with council staff capacity to support the progression of opportunities constrained. However, we have flexed to respond to our councils' needs.

While opportunities are not being developed at the pace we would like, we know from engaging with our councils that it is the right pace for now. Similarly, given the significant central government reform programme impacting the sector, we have committed to councils not to pursue opportunities that will result in structural change. Instead, following engagement with Chief Executives and other senior council staff, we embarked on the Shifting Landscapes project and during the period this evolved into two workstreams.

One of these workstreams, "Stranded Overheads Assessment", remains in the planning phase and we are engaging with the Department of Internal Affairs on how we can work with them to support councils to identify and quantify the overheads left stranded following the water reforms. The second workstream, "Community Needs Analysis", is highlighted further below.

¹ Co-Lab is the newly established trading name of Waikato Local Authority Shared Services Ltd

Co-Lab's Performance Framework

Our vision	Our councils are maximising the value they provide to their communities					
Our purpose	We support them in doing so by making it easier for councils to identify and realise shared opportunities					
Outcomes we are seeking	Council costs are reduced / performance is improved, without increase cost		The experiences of councils' communities are improved		Central government investment into and engagement with Waikato councils is increased	
Our specific objectives	<ul style="list-style-type: none"> ➤ Achieve effectiveness and efficiency gains ➤ Reduce duplication of effort and eliminate waste through repetition ➤ Helping the councils achieve an appropriate balance in risk and return 		<ul style="list-style-type: none"> ➤ Promote and contribute to the development of best practice ➤ Make it easier for communities to engage with councils in the Waikato region on a consistent basis ➤ Promote business transformation to improve communities' experiences 		<ul style="list-style-type: none"> ➤ Enable the Waikato councils to collectively be more effective as a region on the national stage ➤ Contribute to building central government's confidence in the Waikato region, and to encourage central government investment 	
Priorities: How we will achieve our outcomes	Investigate the right opportunities	Develop opportunities on time and within budget	Ensure opportunity benefits are realised	Provide services that meet the needs of councils	Foster cross-council collaboration	
What we must manage well	Our relationships	Our services	Our projects	Our people	Our resources	Our reputation

Co-Lab Water Services

Co-Lab Water Services officially started servicing four of the nine participating councils prior to 1 July 2021, the remaining participating councils commenced receiving service from that date. The water sampling and analysis, trade waste management and "Smart Waters" services teams have been working effectively with councils, managing expectations and balancing service delivery during the extended periods of uncertainty cause by changing COVID-19 alert levels. South Waikato have been very flexible and have agreed to defer the commencement of one of their services (sampling & analysis) until early 2022 (due to covid-19 impacts).

Waikato OneView

Waikato OneView went live in August 2021. It is a great example of collaboration in action, involving council technical specialists from across the region. This Web Map viewer presents aligned data from different councils through a common data schema. It will improve the customer experience by reducing the time required to gather data and increasing the data's accessibility because it covers the whole

region and is always available. It will also reduce council staff time required to respond to queries and requests for information that can now be readily accessed.

The tool has launched with three 'maps' (3 Waters, Property, Community & Recreation).

Waikato OneView is a finalist for the Association of Local Government Information Management's "GIS project of the year" award.

Shifting Landscapes – Community Needs Analysis

Eight councils have been engaging with Co-Lab to bring data together on what Waikato communities need and how the public sector as a whole is, and has historically been, meeting those needs. We will then present that data back to participating councils in a coherent way to equip them with the facts they need to effectively engage with central government and advocate for what they consider to be the right 'future for local government'. The project has progressed well throughout the period with output from the work undertaken presented to the councils in February 2022.

Collaboration on COVID-19 vaccinations

A great example of collaboration in action, and how Co-Lab can make that easier for councils, was evident as councils came together to address the challenges of vaccination requirements. The company stood up fortnightly meetings with the councils' People & Capability Managers, where those challenges and possible solutions were discussed, and policy and other communication documentation shared. Councils saved time from being able to leverage the work of others. The forums also provided the basis for better decision-making and the managers themselves, undoubtedly, benefited from the support they provided one another at a particularly testing time.

Learning & Development Shared Service

The Learning & Development Shared Services (LDSS) project is looking at how council learning and development programmes can be aligned so that a regional approach to training can be established. From work undertaken in developing the business case, it is estimated that the investment in training by councils across the region is \$15m p.a. Ultimately, the project aims to increase the quantity and quality of staff development opportunities and standardize training in the region where it makes sense to do so. The estimated benefits accruing to the Waikato councils is \$2.4m in the first three years. Those benefits reflect reduced spend on external training providers, a reduction in the sunk cost of council staff delivering training to colleagues, the value of additional training that is expected to occur, and the value of council staff having access to the training they need, when they need it.

The investigation to date has considered how councils can collaborate on the development of learning and development programmes and analysed opportunities to jointly deliver learning events and online learning content.

The project was largely completed during the second half of 2021 with final proposals to councils to be sent in the first quarter of 2022.

Customer Digital Enablement

Following foundational workshops in the first half of 2021, in the second half of the year councils agreed the first initiative for development under the "Customer Digital Enablement" (CDE) banner. At its heart, CDE is about councils working together to collaborate on customer strategies and leverage investment into digital channels to support this.

With the working title of "SR4"², the first initiative is looking at a digital solution to engage with communities on all things related to rubbish, recycling and sustainability. A council product team worked

² Sustainability, Rubbish, Recycling, Reducing and Rethinking

with Datacom for an intensive 10-day #Rapidprototyping workshop to establish a prototype MLP: Minimum Loveable Product. We will be approaching the market in the first half of 2022 to identify a preferred supplier to develop the product.

Customer Building Journey – the Building Consent Shared Services project

The priority project of Building Consent Shared Services remains a significant opportunity under development during the period. The issue and monitoring of building consents is a critical function of councils. It is important that this function is delivered with the customer in mind and in the most efficient way. Councils continue to lack capacity, and this issue is exacerbated by unprecedented demand from the building sector for consents in high-growth districts.


Development of the opportunity changed scope in July 2021, with the project focusing on the end-to-end process of a build, including the application and issue of land use consents. Stage one commenced in October, looking at how councils and customers are currently performing to identify the root-cause of pain points throughout the process. While it continues to progress, the project timelines have slipped, ironically, due to the very problem the project can solve – a lack of council capacity.

Asset Management Centre of Excellence

Co-Lab is working with councils to identify whether it can extend how it can assist them with the various stages of the asset management lifecycle, beyond its current remit. This is a wide-ranging consideration across life-cycle stages and asset types. At this early stage of the investigation, there appears to be a range of opportunities for Co-Lab. The next focus for the project is to offer an asset management assessment to those councils that have not done this recently.

Assessment of performance against targets

The following performance measures were included in the 2021 Statement of Intent covering the financial years ended 30 June 2022-2024. An update on performance against target, as at 31 December 2021, is shown in the table below.

Priority	Performance measure	Target	Outcome (progress toward target)
<p>Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="font-weight: bold; font-size: small;">Link to outcomes in the performance framework</p>  </div>	<p>➤ Business cases will include measurable benefits linked to one or more of the outcomes sought</p>	<p>Projected savings/increased revenue to councils of at least \$300k</p>	<p>➤ Various opportunities continued to advance during the first six months of the financial year. Those opportunities included:</p> <ul style="list-style-type: none"> - The first initiative under the Customer Digital Enablement programme of work - The Asset Management Centre of Expertise - Learning & Development Shared Services (LDSS) implementation (following the Board’s approval of the business case in June 2021) - Shifting Landscapes – Community Needs Analysis - BCSS – the Customer Building Journey <p>➤ By their nature, some of these opportunities do not lend to readily quantifiable benefits. An</p>

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Priority	Performance measure	Target	Outcome (progress toward target)
			<p>example of this is the Community Needs Analysis: a project supporting eight of the councils by providing learnings grounded in stories of past successes and failures, that can be used by councils in their discussion with stakeholders relating to the Future for Local Government review</p> <ul style="list-style-type: none"> ➤ The other projects are under development and yet to be finalised with a determination of quantifiable benefits (LDSS benefits were reported in the 2021 Annual Report) ➤ Business cases are also be established for some more significant joint procurements
	<ul style="list-style-type: none"> ➤ Businesses cases are supported by councils (evidenced by take up of the opportunity) 	75% of councils	<ul style="list-style-type: none"> ➤ Unable to measure: No proposals have been put to councils during the period
<p>Develop opportunities and deliver projects within agreed budgets and timelines</p> <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> <p>Link to outcomes in the performance framework</p> </div>	<ul style="list-style-type: none"> ➤ Opportunities / projects are developed / delivered within agreed timelines 	80%	<p>17%: Various externalities have impacted our ability to develop opportunities within the timelines originally anticipated. The single greatest impact has been the capacity of council staff to work with Co-Lab on opportunity development. COVID-19 is the root cause of those capacity constraints, and we see the risk of staff availability increasing over the coming months with the community spread of Omicron. We have regularly communicated with councils to keep them informed of timing and the reason(s) for delays. We have also regularly engaged with Council Executives to ensure the pace of delivery is appropriate having regard to their staffs' capacity</p>
	<ul style="list-style-type: none"> ➤ Opportunities / projects are developed / delivered, within approved budget 	90%	<p>No projects were concluded during the six-month period. However, those opportunities under development all remain on track to come within budget</p>
	<ul style="list-style-type: none"> ➤ Overall, Company Management / Support functions will be undertaken within budget, 		<p>Actual expenditure for Company Management and Support functions is slightly favourable to that budgeted for the period</p>

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Priority	Performance measure	Target	Outcome (progress toward target)
	unless additional expenditure has board pre-approval		
Ensure projects realise their expected benefits <div style="border: 1px solid black; padding: 2px; width: fit-content;"> Link to outcomes in the performance framework </div>	➤ Measurable benefits are actively monitored and reported against	Six-monthly	Management presented two “Project Benefit Assessments” to the Audit & Risk Committee during the period. One of these is being resubmitted following further consultation with council staff
	➤ Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Assessment within 15 months 90% of projected quantifiable benefits are realised	
Ensure existing services are meeting the needs of councils <div style="border: 1px solid black; padding: 2px; width: fit-content;"> Link to outcomes in the performance framework </div>	➤ The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): <ul style="list-style-type: none"> ○ RATA – roading & waters ○ Waikato Building Cluster ○ Regional Infrastructure Technical Specifications ○ Energy & Carbon Management ○ Professional Services Panel ○ Health & Safety pre-qualification 	80% of councils	Not currently measurable: As in the prior year we will be undertaking a survey of council staff in the first half of 2022 to ensure each service offering is continuing to meet the needs of councils – the feedback in 2021 was that they were.
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice	➤ Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum	The Insurance Advisory Group agreed to engage Aon to undertake an assessment of potential losses to Waikato councils’ three-waters reticulation networks and flood protection assets due to earthquake damage. This work will be undertaken in the first half of 2022

Priority	Performance measure	Target	Outcome (progress toward target)
Link to outcomes in the performance framework			<p>Co-Lab facilitated fortnightly sessions with the council People & Capability Managers in response to the rollout of vaccine passes. Members collaborated to share thinking and leverage policy and other documentation relating to mandatory (or otherwise) vaccination policies</p> <p>Procurement Managers have been involved in a few joint procurements. Some councils have also expressed interest in access to a central procurement resource (that would be provided by Co-Lab). This initiative is being developed and a proposal will be presented to councils in the first quarter of 2022</p>

Co-Lab's Financial Position

Summary

Summary financial results for the six months to 31 December 2021 are:

	2022 actual	2022 forecast	Variance (Actual v Budget)	2022 budget (Full Year)
Total income	5,408,667	4,972,147	436,520	12,000,340
Total operating expenditure	3,029,708	2,660,318	369,390	12,336,176
Net surplus before tax	2,378,959	2,311,830	67,129	(335,836)
Cash on hand	2,130,196	n/a	n/a	1,080,452

Revenue and expenditure are both higher than anticipated. While this is expected to trend closer to budget over the second half of the financial year, we are now forecasting a full-year profit of \$104k (against a budgeted loss of \$336k).

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The cash position is:

	Cash balance @ 1/07/2021	Cash surplus / (deficit)	Cash balance @ 31/12/2021
Company Management & Support	86,228	208,872	295,100
RITS	56,869	20,860	77,729
Working Parties Projects	137,334	240,351	377,685
Information Technology	9,712	13,088	22,800
Energy Management	89,635	70,524	160,159
Shared Valuation Data Service (SVDS)	338,779	46,684	385,463
Road Asset Technical Accord (RATA) & Waters Collaboration	176,969	614,937	791,906
Waikato Regional Transport Model (WRTM)	139,100	679,141	818,241
Waikato Building Consent Group (WBCG)	270,084	199,151	469,235
Mayoral Forum	(21,128)	5,004	(16,124)
Co-Lab Water Services	101,564	279,048	380,612
Accounts Receivables	(1,976,745)	(1,000,106)	(2,976,851)
Accounts Payables	2,393,856	(1,049,615)	1,344,242
Total	1,802,257	327,939	2,130,196

Note: Cash balances for each workstream vary from the actual cash position as a result of accounts receivable / payable which are not tracked on an activity by activity basis.

Invariably the cash balance has arisen because actual expenditure has been less than anticipated. It is expected to reduce over the coming six months. We will be reforecasting in March and will assess the likely year-end cash position for each workstream. The cash "surplus" within Company Management and Support surplus reflects member charges being invoiced at the beginning of the financial year.

Statement of Financial Performance

Co-Lab

Statement of Financial Performance

For the six months ending 31 December 2021

	Financial year 2022 YTD Actuals	Financial year 2022 YTD Forecast	Financial year 2022 YTD Budget	Financial year 2020 YTD Actuals
Revenue				
SVDS Data & Software Sales	179,809	193,994	193,996	266,751
Interest	7	6	250	7
Other Revenue				
User Charges	5,228,851	4,778,147	5,132,573	2,048,689
Total Other Revenue	5,228,851	4,778,147	5,132,573	2,048,689
Total Revenue	5,408,667	4,972,147	5,326,819	2,315,447
Expenditure				
Depreciation and amortisation expense	13,761	14,562	10,027	10,868
Personnel costs	404,373	452,887	662,769	321,198
Other expenses	2,611,574	2,192,869	4,764,309	1,285,762
Total Expenditure	3,029,708	2,660,318	5,437,105	1,617,828
Net Profit	2,378,959	2,311,830	(110,286)	697,619

Statement of Cashflows

Co-Lab

As at 31 December 2021

For the six months ending 31 December 2021

	Financial year 2022 YTD Actuals	Financial year 2021 YTD Actuals
Cashflows from Operating Activities		
Interest Received	(16)	7
Receipts from Other Revenue	4,199,560	2,059,188
Payments to Suppliers and Employees	(3,786,763)	(1,898,160)
Taxes Paid	0	0
Goods & Services tax (net)	(69,783)	35,150
Net cash from operating activities	342,999	196,184
Cashflows from Investing Activities		
Capital enhancements	0	0
Purchase of PPE	(15,060)	(13,611)
Purchase of investments	0	0
Net cash from investing activities	(15,060)	(13,611)
Net increase in cash, cash equivalents and bank accounts	327,939	172,730
Opening cash and cash equivalents and bank overdrafts	1,802,263	1,127,986
Closing cash, cash equivalents and bank accounts	2,130,202	1,300,716

Statement of Financial Position

Co-Lab Statement of Financial Position As at 31 December 2021		
	Financial year 2022 Actual at 31/12/2021	Financial year 2021 Actual at 31/12/2020

Assets

Current Assets		
Bank		
Call Account	28,989	28,921
Transaction Account	2,101,214	1,271,796
Total Bank	2,130,203	1,300,717
Accounts Receivable		
Accounts Receivable	765,740	897,371
Accounts Receivable Accruals	2,208,020	710,705
Total Accounts Receivable	2,973,760	1,608,075
Prepayments	0	0
Deferred Tax Asset	3,091	0
Total Current Assets	5,107,054	2,908,792
Non-current Assets		
SVDS - Original Cost	0	3,065,316
WRTM - Original Cost	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195
IT equipment	40,455	24,350
Accumulated Depreciation	(2,294,613)	(5,334,214)
Office Furniture	11,821	7,956
Total Non-current Assets	55,713	61,458
Total Assets	5,162,768	2,970,250

Liabilities

Current Liabilities		
Accounts Payable		
Accounts Payable	561,345	147,341
Accounts Payable Accrual	709	5,000
Total Accounts Payable	562,054	152,341
RWT on Payments	1,513	0
Credit Card Balance	2,962	2,472
Revenue in Advance	722,563	1,093,486
Employee Entitlements	21,967	1
GST	33,184	92,518
Total Current Liabilities	1,344,242	1,340,819
Total Liabilities	1,344,242	1,340,819
Net Assets	3,818,526	1,629,432

Equity

Contributed Capital	2,957,001	2,957,001
Retained Earnings	861,525	(1,327,569)
Total Equity	3,818,526	1,629,432

Policies

The accounting policies on which the preceding financial statements have been prepared are consistent with those used in preparing the Financial Statements for the year ended 30 June 2021, included in the company's Annual Report.

Governance arrangements

During the period, the Directors of Co-Lab were:

Director	Representing
Peter Stubbs	Independent Chair
David Bryant	Hamilton City Council
Gareth Green (resigned 08 December 2021)	Ōtorohanga, Rotorua, Taupo, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
Chris McLay	Waikato Regional Council
Ben Smit (appointed 08 December 2021)	Ōtorohanga, Rotorua, Taupo, South Waikato and Waitomo District Councils
Rob Williams	Hauraki, Matamata-Piako and Thames-Coromandel District Councils

Financial forecasts

Latest financial forecasts are contained in the company's 2022 Statement of Intent issued for shareholder comment in February 2022.

Nature & scope of activities

The principal initiatives operating under the Co-Lab umbrella are:

- Energy management
- Health & safety pre-qualification
- Joint procurement initiatives
- LiDAR
- Regional Asset Technical Accord (RATA)
- Regional Infrastructure Technical Specifications
- Waikato GIS tools: the Waikato Data Portal and Waikato One View
- Shared Valuation Data Services (SVDS)
- Waikato Building Consent Group (WBCG)
- Waikato Regional Aerial Photography Service (WRAPS)
- Waikato Regional Transportation Model (WRTM)
- Co-Lab Water Services (CWS)

Information on these activities is included in the company's Statement of Intent.

Document No: A606376

Report To: Council



Meeting Date: 29 March 2022

Subject: Co-Lab – Draft 2022 Statement of Intent for year ended 30 June 2023

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present to Council the Co-Lab Draft 2022 Statement of Intent (SoI) for year ended 30 June 2023.




Background

- 2.1 Section 64 of Local Government Act 2002 (LGA 2002) requires all council-controlled organisations (CCO) to have a SoI that must not be inconsistent with the constitution of the CCO.
- 2.2 The purpose of an SoI as set out in Schedule 8 of LGA 2002 is to—
- (a) state publicly the activities and intentions of a CCO for the year and the objectives to which those activities will contribute; and
 - (b) provide an opportunity for shareholders to influence the direction of the organisation; and
 - (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.
- 2.3 The SoI must specify the following information for the CCO and any subsidiaries for next year (i.e. 2021/22) and the following two financial years:
- (a) the objectives of the group; and
 - (b) a statement of the board's approach to governance of the group; and
 - (c) the nature and scope of the activities to be undertaken by the group; and
 - (d) the ratio of consolidated shareholders' funds to total assets, and the definitions of those terms; and
 - (e) the accounting policies of the group; and
 - (f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
 - (g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
 - (h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and
 - (i) the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and

- (j) any activities for which the board seeks compensation from any local authority (whether or not the local authority has agreed to provide the compensation); and
 - (k) the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
 - (l) any other matters that are agreed by the shareholders and the board.
- 2.4 Attached to and forming part of this business paper is a copy of the Co-Lab SoI for 2021/22, as Attachment one.
- 2.5 The Directors are required to approve a Draft SoI by 1 March each year for consideration by the Shareholders. The Shareholders are invited to provide comments on the Draft SoI within 2 months of 1 March. The Directors must then consider any Shareholder comments and deliver the completed SoI to Shareholders by 30 June.
- 2.6 Council is now invited to consider the Draft SoI and provide comments should it choose to.

Commentary

- 3.1 Co-Lab continues to progress the priority project at a slower pace than council's and Boards expectations due to resource constraints and the availability of council staff.
- 3.2 The performance framework and targets presented in the draft 2022 SoI are consistent with the performance framework and targets set by Co-Lab for 2021/2022 year.

Priority	Performance Measure	Target
<p>Prioritise and develop opportunities that add value to councils by achieving one or more of our objectives</p> <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> <p>Linked to outcomes in the performance framework</p>  </div>	<ul style="list-style-type: none"> ➤ Business cases will include measurable benefits linked to one or more of the outcomes sought ➤ Business cases are supported by councils (evidenced by take up of opportunity) 	<p>Projected savings / increased revenue to councils of at least \$300k</p> <p>75% of councils</p>
<p>Develop opportunities and deliver projects within agreed budgets and timelines¹</p> <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> <p>Linked to outcomes in the performance framework</p>  </div>	<ul style="list-style-type: none"> ➤ Opportunities / projects are developed / delivered within agreed timelines ➤ Opportunities / projects are developed / delivered, within approved budget ➤ Overall, Company management / Support function will be undertaken within budget, unless additional expenditure has board pre-approval 	<p>80%²</p> <p>90%²</p>
<p>Ensure projects realise their expected benefits</p> <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> <p>Linked to outcomes in the performance framework</p>  </div>	<ul style="list-style-type: none"> ➤ Measurable benefits are actively monitored and reported against ➤ Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised) 	<p>Six-monthly</p> <p>For \$200k+ projects (based on cost of opportunity development and ongoing investment)</p> <p>Assessment within 15 months</p> <p>90% of projected</p>

		quantifiable benefits are realised
<p>Ensure existing services are meeting the needs of councils</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Linked to outcomes in the performance framework</p> </div>	<p>➤ The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):</p> <ul style="list-style-type: none"> ○ RATA – roading & waters ○ Waikato Building Cluster ○ Regional Infrastructure Technical Specifications ○ Energy & Carbon Management ○ Professional Services Panel ○ Health & Safety pre-qualification 	80% of councils
<p>Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Linked to outcomes in the performance framework</p> </div>	<p>➤ Across these groups, ideas for future consideration and/or initiatives are identified each year</p>	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.

Council costs are reduced / performance is improved, without increase cost	The experiences of councils' communities are improved	Central government investment into and engagement with Waikato is increased
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3.3 The priority projects to investigate opportunities to deliver value to councils. These projects are:

- Shifting landscapes – Support councils in addressing the significant central government reforms
- Customer Digital enablement – the first initiative to be developed is “SR4” an opportunity better engage with our communities digitally on sustainability, rubbish and recycling
- Establishing a Asset Management Centre of excellence – expanding the capacity of RATA
- Customer Building Journey – designing a system to resolve the identified challengers

- 3.4 The pace that these projects will be delivered is dependent on the resources available, either increased shareholder contributions or making staff available (as part of a project team or on a seconded basis to lead a project).
- 3.5 The funding needs of Co-Lab are forecast to be \$11.96m, this is slightly less than the 2021/2022 budget of \$12.0m costs.
- 3.6 The range of services has been expanded to include Learning and Development Shared Services (\$540,000) and Procurement (\$176,000,) this revenue has been offset by revenue reductions in Working Parties / projects \$191,000, Information Technology \$355,000 and Waikato Building Consent Group \$274,000.
- 3.7 The operational expenditure of \$11.9m is \$0.45m less than the 2021/2022 budget. The two new services and Company Management / Support, Waikato Regional Transport Model have increased costs, these are offset by reductions in Working Parties / projects, Information Technology, Road Asset Technical Accord, Waikato Building Consent Group, Water Collaboration and WCLASS Water Services.

Analysis of Options

- 4.1 Council as a shareholder needs to consider the draft 2022 SoI and has the option of agreeing to it as presented as per s65 (2) (subject to confirmation of performance measures/targets/indicators from the Board).
- 4.2 Council also has the option of proposing further amendments to the SoI for the Co-Lab Board to consider.
- 4.3 If Council intended to propose any amendments it would first need to notify the Co-Lab Board in writing of the extension of the response deadline by one month, then provide the amendments.
- 4.4 The notification would also need to extend the deadline by one month for the Board to deliver a complete statement of intent.
- 4.5 The Board must consider any comments by the shareholders on the draft SoI that are made to it within 2 months of 1 March or a period that is notified and then deliver the completed SoI to the shareholders on or before 30 June or at a date notified.

Considerations

- 5.1 **Risk**
- 5.2 If Council does not consider and decide either to agree to the draft 2021 SoI at this meeting or propose changes to the draft 2022 SoI, then it runs the risk of non-compliance with legislative requirements around preparation and adoption of the SoI.
- 5.3 There is additional risk that Co-Lab Board and Management will not be able to plan well and in advance, any strategy or financial changes they might need to make to accommodate the suggestions of Council.
- 5.4 **Consistency with Existing Plans and Policies**
- 5.5 The decision to agree on the draft 2022 SoI as presented will be consistent with Council's understanding of the future plans of Co-Lab and its objectives for the CCO.
- 5.6 **Significance and Community Views**
- 5.7 The draft 2022 Statement of Intent is aligned to Co-Lab's constitution and its 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.

Recommendation

- 6.1 The draft Statement of Intent be received.
- 6.2 Council respond to the Board of Waikato Local Authority Shared Services Limited, noting that no changes to the draft 2022 Statement of Intent are suggested.

Suggested Resolutions

- 1 The business paper on draft Statement of Intent be received.
- 2 The draft 2021 Statement of Intent for the year ending 30 June 2023, be received.
- 3 No changes are suggested to the draft 2022 Statement of Intent for the year ending 30 June 2023 for Waikato Local Authority Shared Services Limited.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

17 March 2022

Attachment(s):	1	Waikato Local Authority Shared Services Limited Draft 2022 Statement of Intent for year ending 30 June 2023 (A606377)
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2022 Statement of intent

(draft for shareholder comment)

For the year ended 30 June 2023

Supporting councils to maximise the value they provide to their communities

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This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Ltd (WLASS). 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 2022 to 30 June 2024.

Message from the Chair

These are extraordinary times: a perfect storm of central government driven reforms, global pandemic, and unprecedented growth in the region. All place an incredible strain on our shareholding councils. We acknowledge that.

For Co-Lab, the future is exciting but, as for our shareholders, increasingly challenging.

Our challenges are largely two-fold:

- 1) The ability of councils to make staff available to work with Co-Lab in progressing opportunities at a pace that meets councils' expectations; and
- 2) Ensuring that, even though we are small team, we are set up to continue to serve you as seamlessly as possible when our staff are undoubtedly impacted by COVID-19 – something we know councils are addressing also.

On the first of these challenges, last year I spoke of the need for councils to actively support the company if it is to achieve its potential. I spoke of the need for that support to come from the top down and of the importance, in my mind, of council staff giving sufficient priority to the opportunities Co-Lab is working on. I don't resile from those messages. I do recognise that the macro-environment we operate in means that having access to the council resources Co-Lab would like to see is even harder than when I gave those messages last year.

We are seeing the implications of this in practice. Some, but certainly not all, opportunities are taking longer to develop than we would like and what we believe councils need. Our challenge therefore is progressing them, with less-than-ideal resources available, as fast as possible – to meet your expectations. The most striking example of this is the Customer Building Journey priority project. It is a conundrum: building consenting is an area within councils that is hugely constrained by capacity, meaning councils struggle to make staff available to work with Co-Lab on this project – even though the main purpose of the project is to identify and implement changes that will improve the customer experience while also saving council staff time and effort that can be reinvested into staff training or additional value add services to the industry.

Conversely, we have had great engagement with councils on some of our other priority projects – Shifting Landscapes: Community Needs Analysis (CNA), Customer Digital Enablement and Learning & Development Shared Services (LDSS), are examples of that. And it is the success of those engagements that is cause for excitement over the coming year:

- The LDSS project is in its latter stages at the time of writing. From this project we expect to be able to launch Co-Lab Learning in the second half of 2022. This is a great opportunity to leverage council investment to improve the capability of your staff – we estimate the benefit to be \$2.4m across the region over the first three years.
- We anticipate providing on-going support to councils on the central government reforms through the Shifting Landscapes project, building on the CNA work undertaken late 2021/early 2022.
- We also plan to start providing procurement support services in response to a need identified within some of the smaller councils.

These are all great examples of the value Co-Lab can add by working with councils.

Communication is central to acknowledging and helping address the challenges and ensuring we meet your expectations. My greatest concern is that we "don't go fast enough" and therefore we regularly 'check in' with councils on the pace at which opportunities are being developed – we are being told it is about right. More generally we have improved how we communicate with you in recent times and plan to have this as a continued focus. Part of that communication will be conveying our "value-add". We have already started to do that – councils now receive updates on their relationship with the company and the benefits that flow from it. However, we want to get better at articulating the real value.

As with our shareholding councils, ensuring our staff's safety through the ongoing pandemic will also be front of mind.

We refined our vision late last year:

“Our councils are maximising the value they provide to their communities”

The only reference to Co-Lab is acknowledging our relationship to you. That is deliberate, because everything we do is for your benefit – not ours. We are you – and you are us. Our purpose is to support councils in achieving that vision by making it easier to identify and realise shared opportunities. We believe we are fulfilling our purpose – and we want to know if you think we are not.

I want to finish by acknowledging two servants of the company who in the past 12 months have stepped down from the Board. Rob, Gareth – my sincere thanks to you both for your time supporting the company. Your wisdom around the board table has been invaluable in successfully steering the company over the past 2 ½ years while it has embarked on its own transformational journey. Beyond that, you have each extended your devotion and efforts by taking up the mantle of project sponsor on one of our priority projects. I have no doubt that your fellow Chief Executives at the councils you represent on the Board, and the Chief Executives across the region generally, share my gratitude towards you both. I wish you all the very best.

Stay safe.

Peter Stubbs
Chair

Overview of Co-Lab

Co-Lab¹ is owned in equal portion by the 12 Waikato Local Authorities²:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Otorohanga District
- Rotorua Lakes
- South Waikato District
- Taupo District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipa District
- Waitomo 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 services to councils.

Our main areas of activity are set out in Appendix I.

Our vision and the outcomes we are looking for

Our vision, purpose, and the outcomes we are looking for are set out in the company's performance framework. Our vision is not about Co-Lab as such – it is about the councils we exist to serve. However,

¹ Co-Lab is the newly established trading name of Waikato Local Authority Shared Services Ltd

² This is the ownership structure at the time of writing. The company is however, in discussion with Taupo District Council regarding their ongoing involvement as a shareholder, and with Western Bay of Plenty District Council, who have expressed interest in becoming involved

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if we can achieve the outcomes we are seeking, we can have confidence that we are going a long way to realising our vision.

The vision was modified following the Board’s strategy day in December 2021. The company has also introduced a ‘purpose statement’. While these have changed, the outcomes we seek, and our specific objectives, remain as they have done for the past few years.

Unsurprisingly, we will therefore continue to work to fulfil the two fundamental roles of Co-Lab, noted above.

Co-Lab’s Performance Framework

Our vision	Our councils are maximising the value they provide to their communities					
Our purpose	We support them in doing so by making it easier for councils to identify and realise shared opportunities					
Outcomes we are seeking	Council costs are reduced / performance is improved, without increase cost		The experiences of councils’ communities are improved		Central government investment into and engagement with Waikato councils is increased	
Our specific objectives	<ul style="list-style-type: none"> ➤ Achieve effectiveness and efficiency gains ➤ Reduce duplication of effort and eliminate waste through repetition ➤ Helping the councils achieve an appropriate balance in risk and return 		<ul style="list-style-type: none"> ➤ Promote and contribute to the development of best practice ➤ Make it easier for communities to engage with councils in the Waikato region on a consistent basis ➤ Promote business transformation to improve communities’ experiences 		<ul style="list-style-type: none"> ➤ Enable the Waikato councils to collectively be more effective as a region on the national stage ➤ Contribute to building central government’s confidence in the Waikato region, and to encourage central government investment 	
Priorities: How we will achieve our outcomes	Investigate the right opportunities	Develop opportunities on time and within budget	Ensure opportunity benefits are realised	Provide services that meet the needs of councils	Foster cross-council collaboration	
What we must manage well	Our relationships	Our services	Our projects	Our people	Our resources	Our reputation

Intentions for the coming year

Focus areas beyond business as usual

Beyond the continuation of our priority projects and ensuring we deliver great services, there are four areas of particular focus for the company in the coming year, with work having commenced on these in the first half of 2022.

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Learning and Development Shared Services

Learning & Development Shared Services is the first of two new service offerings planned. The idea had its genesis in a survey Co-Lab sent to the Councils' People & Capability (P&C) Managers. The purpose of the survey was to identify potential opportunities for us to collaborate with councils to improve outcomes for their people.

Several ideas were identified but the one that resonated most with the P&C Managers was looking to establish a means of creating common training material (including on-line modules) and a single platform to access it to leverage the investment required, and centrally coordinating the delivery of face-to-face training.

Co-Lab Learning will save councils on their training costs and perhaps more importantly, will mean that more of what council spend will be on their staff actually receiving training. Across Waikato councils the estimated benefit is \$2.4m over the first three years.

Procurement Services

In the second half of 2021 we engaged with councils who had expressed interest in having access to specialised procurement support. Most of those councils don't currently have – or need – full-time procurement resource. The opportunity to call on resource as and when required is therefore attractive. A formal proposal is being issued to councils in the first half of 2022, with a view to having the service in place at the start of the 2022-23 financial year.

Communication and engagement

Over the past 12 months we have increased how we engage with our shareholding councils. This has included extending key messages to council executive teams (not only the Chief Executives), and sharing with councils our "Project Benefit Assessments" – reports which consider whether we achieved the benefits set out in the business cases leading to new services. Coinciding with the change in the company's trading name to "Co-Lab", we have also established a LinkedIn page and will use this as another way of keeping our stakeholders informed of what we are up to. While we think we have done a lot to improve in this area, communication and engagement with our shareholding councils will be an increasing focus of the Co-Lab team in the coming year. Part of that engagement will be working with your People & Capability Managers to ensure the change impacts of any projects under development are well managed.

Reporting the value we add

Related to communication and engagement is how we convey the value we provide our shareholding councils. We have always been completely transparent with you. We are an extension to your council's teams and so if we are not meeting expectations then we want to know about it. In 2021 we provided each council with two documents setting out their relationship with the company – what you invested and where, the services you received, the savings you made (for example from joint procurements), and the other qualitative benefits from being in the relationship. We have committed to updating these documents at least six-monthly.

We think this is a great start but don't want to stop there. In the coming year we will be undertaking an internal project 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.

Priority projects

In the past we have engaged with our shareholding councils each year to help inform what opportunities the company should be focused on. In 2021 we did so again, but more with a view to ensuring that continuing the priority projects from the prior year remained appropriate in the current environment. We want to ensure we are focusing on those things our shareholders have told us can add the most value.

In the face of significant central government reform, we recognised that councils didn't need the prospect of further structural changes and therefore committed in our 2021 Annual Report to restrict the opportunities we would consider to those that didn't involve change of this nature. One of the priority projects identified last year was about the establishment of a GIS Centre of Excellence. This has the potential to involve structural change and we have therefore made the decision to pause the investigation of this opportunity.

That project aside, we will be continuing to develop the priority projects introduced in last year's Statement of Intent.

Shifting Landscapes

We see one of our most important roles at present being to support Waikato councils in addressing the significant central government reforms they face. Shifting Landscapes is the banner under which Co-Lab is doing this. We have already undertaken a significant amount of work with councils: The Community Needs Analysis workstream brings together stories of public sector successes, and failures, in meeting the needs of your communities, to support councils in their engagement with the Panel and other stakeholders involved in the Future for Local Government review. We will continue to work with Council executive teams to identify other ways we can help councils with responding to the review, and the RMA and 3-Water reforms.

Customer Digital Enablement

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. Sourcing a supplier to 'build' the product is occurring in the first half of 2022. The coming year should see this product launched.

However, 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 and Customer Digital Enablement will become an ongoing programme of work.

Establishing an Asset Management Centre of Excellence

We are continuing work on where RATA can build on existing capability and establish an Asset Management Centre of Excellence to provide more value to councils.

Customer Building Journey - Building Consent Shared Services

The Customer Building Journey - Building Consent Shared Services project is a significant project for Co-Lab and offers great potential for the region. The indicative business case presented to the Board estimated quantifiable benefits of ~\$26.8m over 10 years.

We continue to hear of the challenges the sector faces in the region and of the significant pressure council staff face with increasing consent applications. We know there is opportunity to improve in this area. We encourage councils to embrace the change required to do so.

The project continues to progress over the first half of 2022. Currently, the focus is on working with council staff to understand, in depth, the process customers go through from the start of the build process and the root cause of challenges encountered with that process. Findings from this will be presented to the Board and if approved to progress, the second stage will focus on redesigning a system that resolves the challenges that have been identified.

Regional policy and by-law development

This opportunity considers the value of having a standard suite of policies across local authorities. It would include benchmarking the existing policies and by-laws and establishing a timetable for review to avoid duplication of effort wherever possible. The opportunity is considered lower priority and will commence once the other opportunities noted above are complete.

The critical risk to achieving ~~our~~ your goals

Co-Lab’s vision is deliberately not about the company, but you – our shareholding councils. The company exists to serve and is guided by what our shareholders tell us. That doesn’t mean we won’t challenge status quo if we think there may be a better way to maximise the value you provide to your communities – that is part of our role as a laboratory for new ideas. However, we only fulfil our purpose if we pursue opportunities that we know councils will take up and capitalise on, even though they involve some change.


So, the critical risk to Co-Lab fulfilling its purpose and your goals is the willingness and capacity of council staff to help us do so.

The current macro environment emphasises a need for change – the pressure councils are under is unsustainable. Helpfully, COVID-19 won’t be with us forever – but it will be with us for a while longer yet and continues to place additional burden on council staff. COVID-19 aside, central government’s reform programme will continue for the foreseeable future, as will growth in our communities.

We understand these macro-events mean capacity to devote resource to opportunity development becomes harder. We therefore accept that means Co-Lab’s work will take longer than we would like. However, we continue to encourage councils to find a means of making opportunity development – to solve today’s problems – a priority. Most of Co-Lab’s priority projects have freeing up council capacity as one of their benefits: the Customer Building Journey project has that as its main focus. On the face of it, that suggests these projects have the potential for immense value to councils, if they are allowed. To coin a phrase – “short-term pain for long-term gain”.

Performance 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 <div style="border: 1px solid black; padding: 5px; width: fit-content;"> Link to outcomes in the performance framework </div> 	<ul style="list-style-type: none"> ➤ Business cases will include measurable benefits linked to one or more of the outcomes sought ➤ Businesses cases are supported by councils (evidenced by take up of the opportunity) 	Projected savings/increased revenue to councils of at least \$300k 75% of councils

Transparency and reporting to councils

The company will continue to deliver the following information to shareholders:

- Within two months of the end of the first half of the financial year, a half-yearly report, including Statements of Financial Performance, Financial Position, and Cashflows and commentary on service performance including an assessment of progress against performance measures; and
- Within three months of the end of the financial year, an audited Statement of Financial Performance, Statement of Changes in Equity, Statement of Financial Position, Statement of Cashflows and commentary on service performance.

Governance arrangements

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 WLASS are:

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
David Bryant	Hamilton City Council
Ben Smit	Otorohanga, Rotorua, Taupo, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
Rob Williams (resigning Feb. 2022 – replacement to be confirmed)	Hauraki, Matamata-Piako and Thames-Coromandel District

Under the constitution Peter Stubbs' appointment as Independent Chair is due for renewal. Management is engaging with shareholders on this matter. Rob Williams' resignation means no further election is required.

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.

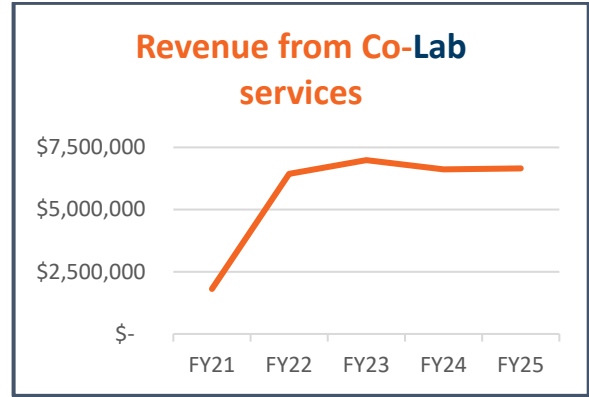
Financials

Overview

Note: The financial forecasts included in this Statement of Intent reflect status quo and do not have regard to the potential impact of central government reforms.

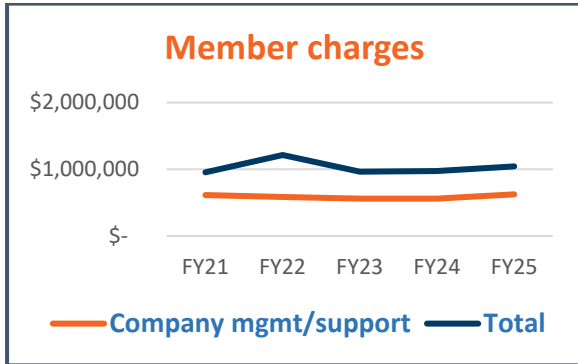
Service levels

Revenue from service levels significantly increases in the 2022 financial year (FY), being the first full year of activity for Co-Lab Water Services. There is a further increase in the FY23 with the planned launch of Co-Lab Learning and procurement support services.



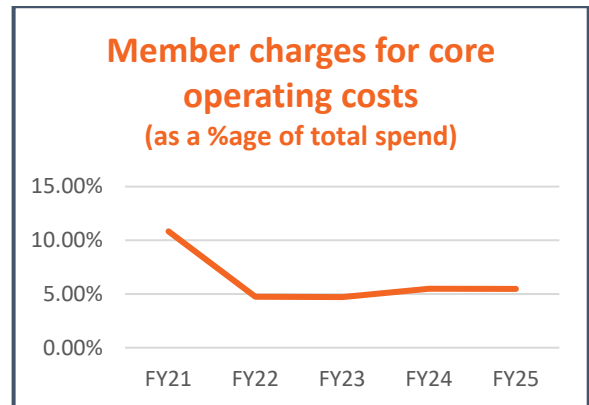
Member charges

Member charges are expected to remain flat throughout the forecast period.




While this offering increased the overall size of the company by revenue, it did not require additional company management. As we continue to gain momentum and bring new services on-line, we expect to see member charges continue to fall in percentage terms.

Member charges to meet core operating costs (company management / support) remain largely flat throughout the forecast period (averaging ~5.1% of total expenditure). The drop from FY21 to FY22 in the graph below reflects the new Co-Lab Water Services offering.




Statement of Financial Performance


Co-Lab Company Summary for the forecast financial years ended 30 June 2023-2025					
	2021 SOI		2022 SOI		
	Budget 2021/22	Forecasted 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25
Income					
Company Management / Support	1,391,159	1,342,664	1,419,684	1,429,293	1,458,488
Working parties projects	716,183	826,450	524,535	534,494	598,100
RITS	27,000	27,000	27,000	27,540	28,091
Information Technology	772,462	861,302	417,201	47,862	48,532
Energy Management	128,000	128,000	122,519	124,969	127,468
Shared Valuation Data Service (SVDS)	388,115	388,112	420,934	429,457	438,046
Road Asset Technical Accord (RATA)	2,231,000	2,235,611	2,102,055	1,713,376	1,649,671
Waikato Regional Transport Model (WRTM)	1,594,706	1,116,701	1,757,951	761,792	1,803,682
Waikato Building Consent Group	667,083	403,500	392,959	401,081	406,696
Waikato Mayoral Forum	5,000	5,000	5,000	5,000	5,000
Water Collaboration	752,500	540,000	682,400	644,074	660,789
WLASS Water Services	3,327,113	3,056,632	3,369,578	3,408,742	3,476,917
Learning and Development Shared Service (LDSS)	0		540,000	540,000	547,560
Procurement	0		176,150	190,018	195,718
Total Income	12,000,321	10,930,972	11,957,966	10,257,698	11,444,759
Operating Expenditure					
Company Management / Support	1,534,552	1,384,427	1,691,180	1,726,489	1,760,141
Working parties projects	979,195	957,510	525,035	534,626	598,234
RITS	27,000	27,000	27,000	27,540	28,091
Information Technology	847,833	832,804	414,455	43,962	44,578
Energy Management	127,900	126,679	122,519	124,969	127,468
Shared Valuation Data Service (SVDS)	351,195	281,345	325,893	335,045	344,459
Road Asset Technical Accord (RATA)	2,231,000	2,237,015	2,101,040	1,715,541	1,652,640
Waikato Regional Transport Model (WRTM)	1,594,706	1,102,118	1,757,951	761,792	1,803,682
Waikato Building Consent Group	617,083	391,168	392,959	401,081	409,863
Waikato Mayoral Forum	5,000	3,333	5,000	5,000	5,000
Water Collaboration	752,500	540,000	682,150	644,074	660,789
WLASS Water Services	3,268,219	2,973,351	3,159,485	3,197,954	3,261,913
Learning and Development Shared Service (LDSS)	0		503,000	503,060	510,121
Procurement	0		176,150	190,018	195,718
Total operating expenditure	12,336,183	10,856,749	11,883,817	10,211,152	11,402,698
Earnings before interest, tax and depreciation/ amortisation (EBITDA)	(335,862)	74,222	74,149	46,546	42,061
Depreciation / amortisation					
Company Management / Support	5,471	9,068	28,198	28,198	28,198
WBCG	0	405	-	-	-
WRTM	14,583	14,583	14,583	-	-
Total Depreciation / amortisation	20,054	24,056	42,781	28,198	28,198
Net Surplus (Deficit) before tax	(355,915)	50,166	31,368	18,348	13,863

We are budgeting a small profit in each year throughout the forecast period. As we have done in the past years, we will be reviewing our cash position prior to issuing the final Statement of Intent and if we are able to do so, will utilise any cash reserves to keep member charges to a minimum.

Statement of Financial Position

Co-Lab					
Financial Position					
for the forecast financial years ended 30 June 2022-2024					
	Budget 2021/22	Forecasted 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25
CAPITAL					
Shares - SVDS	1,607,001	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	1,350,000
Retained Earnings	(2,418,218)	(1,517,199)	(1,467,033)	(1,435,665)	(1,417,317)
Plus Current Year Operating Surplus/(Deficit)	(355,915)	50,166	31,368	18,348	13,863
TOTAL CAPITAL FUNDS	182,868	1,489,968	1,521,336	1,539,684	1,553,546
ASSETS					
CURRENT ASSETS					
Prepayments	178,900	134,000	134,000	136,680	139,414
Accounts Receivable	310,270	546,549	597,898	512,885	572,238
Bank	1,080,452	2,860,008	2,194,055	1,620,697	1,503,615
GST Receivable / (Payable)	124,224	(195,267)	7,827	8,671	8,761
TOTAL CURRENT ASSETS	1,693,846	3,345,289	2,933,780	2,278,933	2,224,028
NON-CURRENT ASSETS					
SVDS - Intangible Asset	0	0	0	0	0
WRTM - Intangible Asset	2,296,855	2,296,855	2,296,855	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	1,195	1,195	1,195
<i>Accumulated Depreciation</i>	(2,283,467)	(2,283,467)	(2,298,050)	(2,298,050)	(2,298,050)
IT Equipment & Office Furniture	19,000	92,469	140,065	140,065	140,065
<i>Accumulated Depreciation - IT equipment & Office Furniture</i>	(9,992)	(34,043)	(38,190)	(66,388)	(94,587)
TOTAL NON-CURRENT ASSETS	23,591	73,010	101,875	73,677	45,478
TOTAL ASSETS	1,717,438	3,418,299	3,035,655	2,352,610	2,269,506
LESS CURRENT LIABILITIES					
Accounts Payable	1,451,670	1,848,330	1,429,108	722,765	624,594
Accounts Payable Accrual	35,000	35,000	32,173	32,816	33,473
Employee Benefits	47,900	45,000	53,038	57,345	57,893
TOTAL CURRENT LIABILITIES	1,534,570	1,928,330	1,514,319	812,926	715,960
NET ASSETS	182,868	1,489,969	1,521,336	1,539,684	1,553,546

Statement of Cashflows

Co-Lab					
Statement of Cashflows					
for the forecast financial years ended 30 June 2022-2024					
	Budget	Budget	Budget	Budget	
	2021/22	2022/23	2023/24	2024/25	
Cashflows from Operating Activities					
Interest Received	500	2,000	2,040	2,081	
Receipts from Other Revenue	11,937,767	11,904,616	10,340,671	11,383,325	
Payments to Suppliers	(11,183,608)	(12,297,828)	(10,915,225)	(11,502,398)	
Taxes Paid	0	0	0	0	
Goods & Services tax (net)	(94,596)	(203,094)	(844)	(90)	
Net cash from operating activities	660,063	(594,306)	(573,358)	(117,082)	
Cashflows from Investing Activities					
Capital enhancements	0	0	0	0	
Purchase of PPE	(13,408)	(71,647)	0	0	
Purchase of investments	0	0	0	0	
Net cash from investing activities	(13,408)	(71,647)	0	0	
Net increase in cash, cash equivalents and bank accounts	646,655	(665,953)	(573,358)	(117,082)	
Opening cash and cash equivalents and bank overdrafts	433,797	2,860,008	2,194,055	1,620,697	
Closing cash, cash equivalents and bank accounts	1,080,452	2,194,055	1,620,697	1,503,615	
Summary of Bank Accounts					
BNZ - Call a/c	1,080,452	2,194,055	1,620,697	1,503,615	
Closing Balance of Bank	1,080,452	2,194,055	1,620,697	1,503,615	

Appendix I: What we do - current activities

The principal initiatives operating under the Co-Lab umbrella are:

- Energy management
- Health & safety pre-qualification
- Joint procurement initiatives
- LiDAR
- Regional Asset Technical Accord (RATA)
- Regional Infrastructure Technical Specifications
- Waikato GIS tools: the Waikato Data Portal and Waikato One View
- Shared Valuation Data Services (SVDS)
- Waikato Building Consent Group (WBCG)
- Waikato Regional Aerial Photography Service (WRAPS)
- Waikato Regional Infrastructure Procurement (WRIP)
- Waikato Regional Transportation Model (WRTM)
- Co-Lab Water Services (CWS)

Energy management

WLASS entered into a three-year Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA) in February 2016. Across the programme EECA provided funding of \$210,000. Implemented projects have delivered 3.62m kWh in energy reduction annually (as against a target of 2.5m kWh), saved \$446,000 per annum.

From 1 July 2019 a new energy and carbon management programme was entered into between WLASS and the nine participating councils. In the past 12 months there has been a shift in focus within the programme so that it now includes climate change initiatives.

The programme is currently being reviewed and a new programme of work presented to councils for implementation from 1 July 2022.

Health & safety pre-qualification

WLASS contracts with RJ Safety Consulting (previously SHE Software), to manage the Local Government Health & Safety Contractor Pre-qualification Scheme on behalf of councils. Twenty councils and one CCO are now using the scheme with approximately 1,600 contractors registered, which enables them to be pre-qualified to work for any of the participating councils.

Further detail on these activities and the councils involved in each can be found on the WLASS website at <http://www.waikatolass.co.nz/>.

Joint procurement initiatives

WLASS is a party to numerous joint procurement contracts between the company, shareholding councils and suppliers. Councils choose whether to be a party to a particular contract. Wherever possible we negotiate a syndicated contract with the supplier to allow additional councils to join later.

The most significant suite of contracts comprises the Professional Services Panel (PSP), involving eight councils and upwards of 150 suppliers. The current panel arrangement was established in August 2019. The PSP was reviewed by council Procurement Managers and Co-Lab in the second half of 2021 to assess how it was operating. Significant value is being realised by councils and the contractors – in time saved on procurement activity, and the cost of engagements. The review did identify areas for improvement and these will be progressed as projects in the first half of 2022.

In 2019 standard regional procurement policies, templates and procedures were developed for use by councils and procurement training provided to council staff.

LiDAR

WLASS is managing a project to create highly detailed 3D maps and models of the Waikato landscape using LiDAR (Light Detection and Ranging) technology. The project's start was delayed with Covid-19. However, flying commenced in January 2021. The project involves funding from ten councils plus several commercial companies and the Provincial Growth Fund (via LINZ). The project is expected to conclude with delivery of the final data sets is expected in FY23.

Regional Asset Technical Accord (RATA)

RATA was initially established as a centre of excellence for road asset planning in 2014. Waipa District Council employs RATA staff who are then contracted to provide services to WLASS.

The original aim of RATA was to achieve best practice in road asset management by improving capability, capacity and outcomes through effective collaboration.

The second half of 2021 saw the review of RATA's purpose, objectives and KPIs under the guidance of the RATA Advisory Group, and subsequently tested with council roading and water asset managers at an online RATA Forum. The updated RATA Purpose is to provide *"Good practice asset management to improve wellbeing of communities"*. Three updated objectives have been established:

- Alignment of asset management principles through COLLABORATION
- QUALITY OF DATA is trusted and is able to increase confidence in decision making by partner councils
- Increase SKILL and capability of partner council staff members.

Socialising these changes with council partners has indicated that Quality of Data is the most important of the RATA objectives. The RATA, Purpose, Objectives and KPIs have been established through a lens of both roading and waters.

The remainder of FY20/21 and FY22/23 will see the bedding in of these updated objectives together with new performance KPIs in partnership with member councils, as well as incorporating these principles into the renewed collaborative professional service contracts for Structure Asset Management Services (currently the bridge inspection professional service contracts).

Data collection and management activities will continue as before, assisting partner councils with management and support of their roading and waters asset management systems, and data cleansing activities. Knowledge sharing is planned to continue with the well supported RATA asset management forums across and beyond the Waikato. Strategic collaborations with REG, IPWEA and others will also continue, with RATA contributing to working and steering groups for the development and implementation of tools and initiatives aimed at improving asset management practice for our councils and nationally.

Key projects such as the Water Asset Data Quality Dashboard will continue, expanding and improving as the dashboard evolves. DATA collection collaborative contracts are nearing their final year and procurement activities will commence in mid 2022 for replacement contracts, looking to incorporate lessons learned from the current contracts and make improvements for our councils.

Regional Infrastructure Technical Specifications (RITS)

The RITS document sets out how to design and construct transportation, water supply, wastewater, stormwater and landscaping infrastructure. Prior to developing RITS, each Council had its own technical specifications for infrastructure resulting in different standards having to be met across the Waikato region. RITS provides a single regional guide, making business easier.

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The RITS is published on the WLASS website (<http://www.waikatolass.co.nz/>), and ongoing maintenance of the document is the responsibility of a Project Co-ordinator, managed by WLASS.

Shared Valuation Data Service (SVDS)

This service provides timely and accurate valuation data to the participating councils. The SVDS has become the accepted valuation database for the region. Data sales significantly reduce the net cost to the participating councils. In the first half of 2020, the transition to a software-as-a-service arrangement with a new provider was completed further reducing cost to councils.

Waikato Building Consent Group (WBCG)

The WBCG was initially set up by five Waikato local authorities in 2004 to foster co-operation, collaboration and consistency in building functions, legislative interpretation and process documentation across the partnering councils. The activity transferred to WLASS on 1 July 2016 and now comprises eight councils.

The WBCG has developed a common quality assurance system with associated supporting documentation that meets the legislative requirements of the Building Act 2004 and the Building (Accreditation of Building Consent Authorities) Regulations 2006. These regulations cover all aspects of the operational management and compliance of a Building Consent Authority (BCA).

The Quality Manual underpinning each councils' processes and policies regarding compliance with BCA accreditation regulations was redesigned and implemented with each participating member.

Research and evaluation was completed on the accreditation assessment regime to assist councils with a submission to MBIE on proposed changes to the regime in order to increase value and ensure quality assurance practices aligns with the outcome of healthy and safe buildings.

Development opportunity was presented to the group on the integration of virtual inspections into their practices to free up capacity with critical staff.

Waikato Regional Aerial Photography Service (WRAPS)

WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. Photographs are captured periodically (~every 5 years). Most recently contracts were executed in December 2020 to undertake the latest programme, and urban photography was delivered in the second half of 2021.

Waikato Regional Infrastructure Procurement

WRIP is focussed on encouraging collaboration between the 12 Waikato councils for a regional, strategic approach to procurement and delivery of infrastructure and associated services. Councils have well-established contracts for roads and three waters so WRIP is focusing on specialist contractors that fall outside these contracts. WRIP is undertaking three joint procurements: the renewal of two RATA contracts for bridge inspections and other services, the establishment of a new contract for video inspection and condition analysis of waste and drinking water pipes, and structural bridge maintenance and minor upgrades. The rationale for joint procurement is more than cost savings, if the potential for savings exists, and includes administrative savings, cost certainty, cost visibility, efficiency, standardisation, and consistent supplier performance and risk management.

Waikato Regional Transportation Model (WRTM)

The WRTM became fully operational in February 2010. It provides accurate information to councils and to external users for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region and is jointly funded by the Waka Kotahi.

The WRTM is entering an exciting new phase of expansion and improvement. The recently completed business case has set in motion a 9 year programme targeting more fit-for-purpose modelling tools for our region, leading to better informed decision-making for our infrastructure leaders. This future has a suite of complimentary tools rather than the current one-model-to-rule-them-all approach.

The current WRTM is subject to an improvement and update programme incorporating updated census information to create future planning scenarios for the Waikato. In parallel, procurement activities will commence in 2022 for a new Hamilton Transportation Model – a meso model covering the Hamilton metropolitan area and specifically designed to respond to the more detailed urban growth pressures experienced in one of our country's fastest growing metros.

Co-Lab Water Services (CWS)

Co-Lab Water Services are now providing one or more services to 9 Councils. These services are:

- **Sampling & Analysis** services to support the operation of three waters networks, treatment plants and Drinking Water Standards;
- **Trade Waste** management activities including assessing new applications, monitoring/auditing and providing invoicing data to Councils; and
- **Smart Water** drinking water education programmes to early childhood facilities and schools, commercial customers and the wider community.

Hamilton City Council employs CWS staff who are then contracted to provide services to Co-Lab.

Appendix II: 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 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: A606443

Report To: Council



Meeting Date: 29 March 2022

Subject: New Zealand Local Government Funding Agency: Half Year Report to 31 December 2021

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide Council with information on the Half Year Report to 31 December 2021 for New Zealand Local Government Funding Agency (LGFA).

Background

- 2.1 The LGFA was established in December 2011 principally to borrow domestically or offshore and provide lending to local authorities across 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 would look 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.

Commentary

- 3.1 The Half Year Report to 31 December 2021 provides both financial performance and service performance against LGFA's Statement of Intent for 2021/22 (Attachment 2).
- 3.2 **Performance against objectives for the Six Months to 31 December 2021.**
- 3.3 The LGFA has two primary and seven secondary objectives, with the primary objectives as follows:
 - 1 Optimising the debt funding terms and conditions for participating Local Authorities, and;
 - 2 Monitoring the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and general issues facing the sector.
- 3.4 Under the two primary objectives there are a number of measures reported, showing their performance against those objectives.
- 3.5 Other objectives of - making longer-term borrowings available, enhancing certainty of access to debt and providing flexible lending terms have all been achieved. Stated with the issuance of the April 2037 LGFA Bond, councils can borrow on a bespoke basis from one month up to 16 years.
- 3.6 Of relevance to WDC is the ability to continue to borrow on a bespoke basis as this allows the hedge arrangements of the LGFA debt (the hedged item) with its interest rate swap (the hedging item), which WDC has with another counter party (being Westpac Bank).

- 3.7 The second main objective of LGFA being monitoring the quality of the asset book, continues to be achieved through monitoring participating councils financial position, financial headroom, if relevant, analysis at group level of Councils, working with a number of government agencies and financial institutions and credit rating agencies.
- 3.8 During the six month period 15 councils were visited by LGFA, out of 74 member councils.
- 3.9 **Financial Performance for the Six Months to 31 December 2021.**
- 3.10 Net operating profit for the six months to 31 December 2018 was \$5.94 million, an increase of \$17,000 from the corresponding period for the prior year.
- 3.11 Importantly "the financial strength of the LGFA was reaffirmed by credit rating agencies Fitch (October 2021) maintain the domestic currency credit rating at 'AA+', Standard & Poor's (February 2021) is 'AAA' the same as the New Zealand Government".
- 3.12 The ability of the LGFA to maintain its financial strength and high credit rating is important for Council as a borrower, so debt funding can be sourced on favourable terms and as a guarantor because it further reduces the already very low likelihood of the guarantee being exercised.
- 3.13 Total loans to Councils by LGFA are \$13.513 billion as at 31 December 2021 and were \$12.32 billion in the comparable period last year.
- 3.14 Bonds on issue to investors in LGFA total \$14.733 billion as at 31 December 2021 and was \$13.811 billion in the comparable period last year.

Suggested Resolution

The business paper on New Zealand Local Government Funding Agency (LGFA): Half Year Report to 31 December 2021 be received.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

17 March 2022

Attachment: LGFA Cover Letter (A606444)

Separate Enclosure: LGFA: Half year report – 31 December 2021 (A606445)

28 February 2022

Dear LGFA Stakeholder

LGFA 2021-22 Half Year Report

Please find attached a copy of the Half Year Report for the six-month period to December 2021. A copy is also available for download on our website www.lgfa.co.nz.

We are pleased to highlight another positive six-month period for LGFA including the following

1. Increased lending to council and CCO borrowers

By 31 December 2021, LGFA had a market value of loans outstanding of \$13.51 billion. We lent \$1.64 billion over the six-month period, and we added two new council members to bring the number of member councils to seventy-four. Councils and CCOs can borrow for terms out to fifteen years (2037).

2. New products

As well as providing long dated lending at the lowest possible cost, we continue to innovate with new products. We have undertaken our first loan to a CCO with Invercargill City Holdings borrowing from LGFA in July 2021 and we entered into our first Green, Social and Sustainable (GSS) loans.

3. A focus on sustainability

During the six-month period we launched GSS loans to councils where councils receive a discounted borrowing margin for eligible projects. In December 2021 both Wellington City and Greater Wellington Regional Councils were the first councils to borrow under the GSS loan programme.

Sustainability is becoming increasingly important at LGFA as we look to assist the sector in managing climate change and encouraging sustainable outcomes. We have appointed a Sustainability Committee to advise the board and management as part of this initiative and we will look to actively engage with councils and CCOs in the coming months.

4. A strong financial position

The financial strength of LGFA has been enhanced with a Net Operating Profit for the six-month period of \$5.94 million. LGFA has \$16.36 billion of assets and Shareholder Equity of \$99.82 million as at 31 December 2021.

Finally, we appreciate the support of all our stakeholders during these difficult times for the sector so thank you for your contribution and assistance over the past six months.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards

A handwritten signature in black ink, appearing to read 'Mark Butcher', with a stylized flourish extending to the right.

Mark Butcher
Chief Executive

Document No: A606482

Report To: Council



Meeting Date: 29 March 2022

Subject: New Zealand Local Government Funding Agency – Draft Statement of Intent for year ended 30 June 2023

Type: Information only

Purpose of Report

- 1.1 The purpose of this business paper is to present to Council the New Zealand Local Government Funding Agency (LGFA) Draft Statement of Intent (SoI) for year ended 30 June 2023.

Background

- 2.1 Section 64 of Local Government Act 2002 (LGA 2002) requires all council-controlled organisations (CCO) to have a SoI that must not be inconsistent with the constitution of the CCO.
- 2.2 The **purpose** of an SoI as set out in Schedule 8 of LGA 2002 is to—
- (a) state publicly the activities and intentions of a CCO for the year and the objectives to which those activities will contribute; and
 - (b) provide an opportunity for shareholders to influence the direction of the organisation; and
 - (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.
- 2.3 The SoI must specify the following information for the CCO and any subsidiaries for next year (i.e. 2022/23) and the following two financial years:
- (a) the objectives of the group; and
 - (b) a statement of the board's approach to governance of the group; and
 - (c) the nature and scope of the activities to be undertaken by the group; and
 - (d) the ratio of consolidated shareholders' funds to total assets, and the definitions of those terms; and
 - (e) the accounting policies of the group; and
 - (f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
 - (g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
 - (h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and

- (i) the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and
- (j) any activities for which the board seeks compensation from any local authority (whether or not the local authority has agreed to provide the compensation); and
- (k) the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
- (l) any other matters that are agreed by the shareholders and the board.

2.4 Attached to and forming part of this business paper is a copy of the Local Government Funding Agency Draft Statement of Intent for 2022/23, as Attachment one.

Commentary

- 3.1 LGFA have provide the Draft Statement of Intent for information only. 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.
- 3.2 As a borrower WDC would look 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.
- 3.3 LGFA have restricted the groupings of their objectives and performance targets into the following categories:
- Governance, capacity and business practice
 - Optimising financial services for local government
 - Environmental and social responsibility
 - Effective management of loans
 - Industry leadership and engagement
- 3.4 Targets have been set for each of the objectives except Industry leadership and engagement.
- 3.5 The performance measures from the draft SoI 2023 have been included in the tables below with the measures from the SoI 2022 for comparative purposes.

Governance, capacity and business practice

Measure	Current SoI 2022	Draft SoI 2023
Compliance with Shareholder Foundation and Treasury Policy	No breaches	No breaches
Maintain Credit Rating	Equal to New Zealand Government (when rated by same credit rating agency)	Equal to New Zealand Government (when rated by same credit rating agency)
Total Operation Income	\$19.1 million	\$18.3 million
Annual Issuance and Operating Expenses	\$7.2 million	\$8.3 million

Optimising financial services for local government

Measure	Current SoI 2022	Draft SoI 2023
Market Share	80%	80%
Total Lending to Participating Borrowers	At Least \$13,295 million	At Least \$14,558 million
Annual Survey	85% Satisfaction	85% Satisfaction score
Refinance existing loans to councils	All loans	All loans
Lending Requests	100% of compliant requests	100% of compliant requests

Environmental and social responsibility

Measure	Current SoI 2022	Draft SoI 2023
Comply with the Health and Safety at Work Act 2015	New performance target	No breaches
Maintain Toitu Carbon Zero certification	New performance target	Certification maintained
Meet carbon reduction targets	New performance target	100% of targets met
Increase Green, Social & Sustainable loans	New performance target	Two new participating borrowers
Annual Report complies with applicable GRI Standards	New performance target	100% compliant
Meet all mandatory climate reporting standards	New performance target	100% compliant

Effective management of loans

Measure	Current SoI 2022	Draft SoI 2023
Review Participating Borrowers financial position	100% of Participating Borrowers	100% of Participating Borrowers
Meet Participating Borrowers annually	New performance target	100% of Participating Borrowers

Suggested Resolutions

- 1 The business paper on New Zealand Local Government Funding Agency - Draft Statement of Intent be received.
- 2 The Draft Statement of Intent for the year ending 30 June 2023 be received.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

18 March 2022

Attachment: Cover Letter (A606484)

Separate Enclosure: Local Government Funding Agency Draft Statement of Intent for year ending 30 June 2022 (A606483)

28 February 2022

Dear Shareholder

Draft Statement of Intent 2022-25

Please find attached a copy of the Draft Statement of Intent (SOI) for the 2022/23 year and two subsequent years. A copy is also available for download on our website www.lgfa.co.nz.

LGFA continues to focus on delivering strong results for both our council borrowers and shareholders.

For our borrowing councils we seek to optimize funding terms and conditions by

- Achieving savings in borrowing costs
- Provide longer dated funding and
- Provide certainty of access to markets

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality
- Enhancing our approach to treasury and risk management and
- Ensuring we have the correct governance framework and capital structure in place

For our guarantors we are focused on

- Minimising the risk of a call upon the guarantee through actively monitoring and managing the business risks faced by LGFA including operational, credit, liquidity, interest rate and funding risk.

The following points regarding the Draft SOI 2022-25 are worth noting:

- Profitability is forecast to remain strong with projections for Net Operating Gain of \$9.9 million, \$11.7 million, and \$10.0 million for the next three years. We are cautious in placing too much emphasis on the Year Three (2024/25) forecast given that over the next three years, we estimate that \$5.3 billion of our LGFA bonds and \$5.7 billion of council loans mature.
- Our council members based their borrowing projections in their 2021-31 Long Term Plans on the assumption that the Three Water reforms were not progressing and we therefore have made the same assumption in our forecasts. Our council borrowing and LGFA bond issuance

forecasts in the 2023/24 and 2024/25 financial years may change depending upon whether the reforms proceed and how councils change their borrowing behaviour in response to those reforms. We estimate that we could have between \$4 billion and \$5 billion of Three Waters related loans by 1 July 2024.

- Our forecasts for council loans (short and long term) outstanding as at June 2023 of \$14.6 billion and \$15.6 billion as at June 2024 are in line with the forecast in last year's SOI.
- Compared to the prior year SOI, Net Interest Income is forecast to be \$200k lower in the 2022/23 financial year and \$300k higher in the 2023/24 financial year. A positive impact on Net Interest Income from higher interest rates is offset by the expectation of tighter lending margins.
- Compared to the prior year SOI, issuance and operating expenses, excluding Approved Issuer Levy are forecast to be approximately \$400k higher in the 2022/23 financial year and \$500k higher in the 2023/24 financial year. This is due to higher costs associated with our increased focus on Sustainability, higher personnel costs and expected costs relating to Three Waters Reform.
- The SOI performance targets are the same as the targets in the prior year SOI except we have included targets relating to improving sustainability outcomes within LGFA and assisting the sector in achieving sustainability and climate change objectives.
- As noted above, there is some timing uncertainty within the SOI forecast relating to council loans and LGFA bonds outstanding as we need to project both the repayment amount and repayment timing of the council loans that are due to mature in April 2023, April 2024 and April 2025. Decisions made by our council members regarding early refinancing will have a phasing impact across all three years in the SOI forecast.

If you have any questions or wish to provide comments by 1 May 2022 then please feel free to contact myself or any member of the Shareholders' Council. The LGFA board will consider any feedback received and provide a final version of the SOI to shareholders by 30 June 2022.

Yours sincerely



Mark Butcher
Chief Executive

Document No: A606807

Report To: Council Meeting



Meeting Date: 29 March 2022

Subject: **Novation Crown Infrastructure Partners Grant - King Country Indoor Sport and Recreation Centre**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is for Council to consider the novation of the Crown Infrastructure Partners funding of the King Country Indoor Sport and Recreation Centre.

Background

- 2.1 The development of the King Country Indoor Sport and Recreation Centre has been an aspiration of the Waitomo community for several years, with the Game on Charitable Trust leading the fundraising effort.
- 2.2 In early 2021 a Steering Group with representatives from key stakeholders was formed to support the development of the King Country Indoor Sport and Recreation Centre.
- 2.3 Following investigations and discussion, the steering committee recommended that Waitomo District Council lead the development of King Country Indoor Sport and Recreation Centre and take an ownership share, in partnership with the Ministry of Education and the Te Kuiti High School Board of Trustees.
- 2.4 Council resolved on the 31 August 2021:

Following Council's consideration and decision taking of the public excluded item of business, Council agreed that only the Resolutions and public Report prepared by the King Country Sport and Recreation Centre Steering Group's Independent Chairperson (Steve Bramley) be made public.

The Resolutions passed are as follows:

- 1 *The business paper on King Country Indoor Sport and Recreation Centre be received.*
- 2 *That Council notes:*
 - a. *the recommendations from the Audit, Risk and Finance Committee meeting of 17 August 2021;*
 - b. *the Report from the Steering Group including the Business Case for the King Country Indoor Sports Centre and its forecasted capital costs, operational costs, funding sources, assumptions, and associated risks;*
 - c. *the advice received with respect to policies around procurement.*
- 3 *That taking into account:*

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- a. *Council's strategic vision of a vibrant district, and in helping to realise that, a people focused community outcome whereby Council promotes health, wellbeing and participation;*
- b. *the strategic plan of Sport NZ, the Regional Sports Facilities Plan of Sport Waikato, the desire by the Ministry of Education and Te Kuiti High School Board of Trustees to form a partnership for the delivery of school and community facilities with the Council;*
- c. *the capital funding offered by national and regional organisations totalling \$4.7 million;*
- d. *the capital funding offered by the Ministry of Education of \$1.74 million;*
- e. *the capital funding offered by Te Kuiti High School Board of Trustees of \$773,014;*
- f. *Waitomo District Council's grant of \$1.5 million set aside for the project in 2018;*
- g. *the challenges faced by the Game on Charitable Trust in delivering the project, and*
- h. *having reviewed and satisfied itself of the robustness of the reset business case,*

Council conditionally agrees, in conjunction with the Ministry of Education and Te Kuiti High School Board of Trustees, to proceed to take over from the Game on Charitable Trust the proposed development, ownership, and management of the proposed King Country Indoor Sports Centre.

4 *That Council's commitment to the proposed project will be conditional upon:*

- a. *The Game on Charitable Trust:*
 - i. *successfully novating to Council all grants committed for the purpose of the development of the Sports Centre; and*
 - ii. *delivering to Council all documents relating to the project, including plans and design specifications, resource and other consents secured, costings and quotations;*
 - iii. *amending its Deed of Trust to allow for a Trustee Appointments Committee to be established with membership determined by the Council.*
- b. *Acceptable Agreements being reached between the relevant parties as to:*
 - i. *an acceptable land tenure arrangement, to include Council access and usage rights for a period of no less than 34 years;*
 - ii. *the roles and responsibilities regarding the development and subsequent management and operation of the Sports Centre; and*
 - iii. *the ongoing capital and operating expenses contributions by the parties.*
- c. *Council receiving the minimum funding contributions from funding partners as follows:*
 - i. *The Ministry of Education - \$1,740,000*
 - ii. *Te Kuiti High School Board of Trustees - \$773,014*
 - iii. *Other committed funding parties as obtained by GOCT.*
- d. *Agreement being reached with a contractor to construct the Sports Centre to an agreed design, price and specifications.*

- e. *Any other matters deemed relevant by Council to enable the delivery of this Centre.*
- 5 *That Council agrees to amend its Procurement Policy to ensure the realisation of the funding partnership required to facilitate and complete the proposed development and that it delegates its authority to the Chief Executive and the Mayor to approve the amendment to Council's Procurement Policy for this project.*
- 6 *Legal advice be obtained in relation to Council's obligations to publicly consult on this proposal and that legal advice be presented for Council's consideration at the next Council meeting scheduled for Tuesday 28 September 2021.*
- 7 *These Resolutions and the public Report prepared by the King Country Sport and Recreation Centre Steering Group's Independent Chairperson (Steve Bramley) be made public following this meeting.*
- 8 *A Press Release be made to support the detail of these Resolutions.*

2.5 Council resolved on the 12 October 2021:

King Country Indoor Sport and Recreation Centre

The Resolutions only be made public as follows:

- 1 *The business paper on King Country Indoor Sport and Recreation Centre (Doc Ref A577539) prepared and tabled at the 28 September 2021 Council meeting be received.*
- 2 *The business paper Supplementary Report: King Country Indoor Sport and Recreation Centre (Doc Ref A579446) be received.*
- 3 *Council note:*
 - a) *The work undertaken to identify project risks and methods to mitigate those risks.*
 - b) *The agreements with the Ministry of Education and the Te Kuiti High School Board of Trustees.*
 - c) *The proposed fixed price Construction Agreement with Apollo Projects Ltd.*
 - d) *Council's decision that public consultation in accordance with the special consultative procedure in the Local Government Act 2002 is not required.*
 - e) *The progress made to address the conditions set at the 31 August 2021 Council meeting, which have been met as follows:*
 - i. *The Game on Charitable Trust has asked all Grantors to the project to novate those grants to the Council.*
 - ii. *The Game on Charitable Trust has delivered to Council all documentation relating to the project, including plans and design specifications, resource and other consents secured, costings and quotations.*
 - iii. *The Game on Charitable Trust has agreed to amend its Deed of Trust to allow for a Trustee Appointments Committee to be established with membership to be determined by the Council.*
 - iv. *The Ministry of Education has agreed to provide Council with a licence to occupy for the site at which the Centre is to be located, to include access and usage rights, for a period of 34 years and 364 days.*
 - v. *Acceptable agreement has been reached between the Council, the Ministry of Education and the Te Kuiti High School Board of Trustees*

that enables Council to manage the development and operation of the Centre.

- vi. Agreements have been reached for certain funding support from the Ministry of Education and Te Kuiti High School to assist to cover operational costs.*
 - vii. The Ministry of Education has agreed to contribute a minimum of \$2,350,000 to the Centre development.*
 - viii. Te Kuiti High School has agreed to contribute a minimum of \$163,014 to the Centre development.*
 - ix. Lotteries have novated their \$3 Million grant to the Council.*
 - x. Crown Infrastructure Fund has agreed to novate \$500,000 to the Council.*
 - xi. Trust Waikato has agreed to the transfer of the balance of the \$700,000 grant to the Council from the Game on Charitable Trust.*
 - xii. Grassroots Trust has undertaken to grant \$200,000 to the Council.*
- 4 Council delegate the responsibility for execution of the documents as follows to the Mayor and Chief Executive:
- a) A Property Sharing Agreement with the Crown and Te Kuiti High School Board of Trustees.*
 - b) A Development Agreement with the Crown and Te Kuiti High School Board of Trustees.*
 - c) A Construction Contract with Apollo Projects Ltd.*

Commentary

- 3.1 The viability of the King Country Indoor Sport and Recreation Centre project is dependent on all budgeted funding being received.
- 3.2 The budgeted funding included a \$500,000 grant from CIP that required novation from Game on Charitable Trust to Council and an application of \$200,000 for project contingency.
- 3.3 CIP approved the novation application, the contingency funding application and granted a further \$75,431. For Council to be able to drawdown this funding a "Variation of Funding Agreement" needs to be signed.
- 3.4 This variation in the funding agreement incorporates the novation of the original grant approved to Game on Charitable Trust and the increase in funding.
- 3.5 The agreement that is referred to in the variation document (attachment 1) is the agreement between The Sovereign in Right of New Zealand acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment and Game on Charitable Trust.
- 3.6 The schedule of changes includes the following:
 - Change to Funding – Increase of total funding from \$500,000 to \$775,431
 - Change to Delivery – Construction commencement date is updated to 1 March 2022
 - Change to Development Phase Deliverables and Instalments – Development phases have been aligned to the Apollo contract and corresponding instalments set

- Change to Address for Notices – Waitomo District Council is identified as the recipient
- Changes to Schedule 3 – Tables updated for the total project cost and timing of development and insertion of additional table for additional information.

Considerations

4.1 RISK

- 4.2 There is an identified risk that all of the budgeted funding is required to ensure the completion of the King Country Indoor Sport and Recreation Centre construction project. The Crown Infrastructure Partners grant of \$700,000 is two of the budgeted grants.

4.3 CONSISTENCY WITH EXISTING PLANS AND POLICIES

- 4.4 The application for grant funding is consistent with existing plans and policies.

4.5 SIGNIFICANCE AND COMMUNITY VIEWS

- 4.6 Under the Significance and Engagement Policy 2021 this matter is of low significance.

Suggested Resolutions

- 1 The business paper on Novation Crown Infrastructure Partners Grant - King Country Indoor Sport and Recreation Centre be received.
- 2 That Council endorse the Funding Agreement Variation for the total grant of \$775,431.
- 3 That Council authorise the Mayor to sign the Funding Agreement Variation.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

21 March 2022

Attachment: Funding Agreement Variation (A606810)



Funding Agreement Variation

Variation of Funding Agreement

Title: Infrastructure Reference Group Funding Agreement for Te Kuiti Sports Stadium

between

Ministry: The Sovereign in Right of New Zealand acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment (**Ministry**)

and

Recipient: Waitomo District Council (**Recipient**)

Date Executed: on or about 30 March 2021 between the Ministry and the Game on Charitable Trust as the then Recipient, and subsequently novated, to the above, named Recipient

PDU ID: R02.02886

Variation Number: 1

Project Description:

The purpose of funding is to fund the design, construction and fit out of a new two court indoor stadium, fitness centre, multi-purpose space and amenities in Te Kuiti.

Reason for Variation:

A variation to the Funding Agreement is required to reflect an increase in the amount of total funding available, update the project budget and construction deliverables across a renewed timeline.

Variation

In accordance with Schedule 2, Clause 12.3 of the Agreement the parties agree to vary the Agreement.

The scope of the Variation is set out in the attached Schedule of Changes. The Variation is effective from the Effective Date stated in the Schedule of Changes.

Subject to the changes made by this Variation the terms and conditions of the Agreement will continue in full force and effect.

Words used but not defined in this Variation have the same meaning as they do in the Agreement.

This Variation is governed by New Zealand law and the courts of New Zealand shall have non-exclusive jurisdiction in any proceedings relating to it.

This Variation may be executed in two or more counterparts (including electronic copies) each of which shall be deemed to be an original, but all of which together shall constitute one instrument. No counterpart is effective until each party has executed at least one counterpart.

Acceptance

**Signed for and on behalf of
the Ministry:**

**Signed for and on behalf of
the Recipient:**

Signature

Signature

Name:

Name:

Position:

Position:

Date:

Date:

Schedule of Changes

Effective Date: Upon the signing of this funding agreement variation by both parties.

Changes to the Agreement

Changes to Schedule 1: Key Details

1. Change to Funding

1.1 Funding Total (Schedule 1, Clause 3.1) is removed and replaced with the following:

The total Funding available under this Agreement is up to **NZ\$775,431** (plus GST, if any). This is the Total Maximum Amount Payable by the Ministry.

The Funding will be paid in instalments on the payment dates *set out in item 6.1*, subject to completion of the relevant Project Deliverable; receipt of a Payment Request in accordance *with Schedule 2, point 2* and the terms and conditions of this Agreement.

2. Change to Delivery

2.1 The commencement construction date as stated in Schedule 1, Clause 4.3(a) is deleted and replaced with "the Construction Commencement Date is 01 March 2022."

3. Change to the Completion Date

3.1 The Completion Date as stated in Schedule 1, Clause 7.2, is deleted and replaced with "The Completion date is the date that is **22 months** from the Commencement Date".

4. Change to Development Phase Deliverables and Instalments

4.1 The table at Schedule 1, Clause 6, is deleted and replaced with the following table (changes are in italics):

Instalment	Completion Date	Project Deliverable	Instalment payable (plus GST, if any)	Co Funding
1	Commencement Date	The Agreement is executed by both parties. The Recipient has provided evidence to the Ministry that all co-funding has been confirmed.	<i>Up to \$387,715</i>	<i>\$2,274,569</i> <i>(Trust Waikato, Grassroots Trust, Lotteries Major Projects)</i>

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2	01 May, 2022	<p><i>Detailed design is complete.</i></p> <p><i>All consents are in place.</i></p> <p><i>Construction has commenced with;</i></p> <ul style="list-style-type: none"> • <i>Site excavation complete</i> • <i>Drainage under slab complete</i> • <i>Associated services installed</i> • <i>Concrete boxing for foundations of Gym and Amenity block has commenced</i> 	Up to \$155,086	\$1,500,000 (Waitomo District Council)
3	1 August, 2022	<p><i>Gym building shell completed including;</i></p> <ul style="list-style-type: none"> • <i>Steel frame erected</i> • <i>Roof installed</i> • <i>Wall panels and aluminium joinery installed</i> <p><i>Amenity block building shell progressing with the following complete;</i></p> <ul style="list-style-type: none"> • <i>Steel frame erected</i> • <i>Roof installed</i> 	Up to \$155,086	\$1,163,014 (Lotteries Major Projects, Te Kuiti High School Board of Trustees)
4	20 January, 2023	<p><i>The Project is complete, as described in Schedule 3 and all requirements in this Agreement have been met;</i></p>	Up to \$77,544	\$3,350,000 (Lotteries Major Projects, Ministry of Education)
Funding Totals			\$775,431	\$8,287,583

5. Change to Address for Notices

4.1 The table at Schedule 1, Clause 9, is deleted and replaced with the following:

Ministry	Recipient
Ministry of Business, Innovation and Employment 15 Stout Street PO Box 1473 WELLINGTON 6011 Email address: PGF@mbie.govt.nz	Waitomo District Council 15 Queen Street PO Box 404 TE KUITI 3941 Contact person: Alister Duncan Email: Alister.Duncan@waitomo.govt.nz

Changes to Schedule 3: Project

1. Table 2 BUDGET in Schedule 3 is deleted and replaced with the following:

Project Development and consultants	112,909
Power Transformer	87,748
Apollo - Stadium Construction* <i>further detail in Table 4: Primary Construction Budget</i>	7,824,280
Frequency NZ - Project Management	146,860
Consultant Contingency	22,500
Cultural Narrative	35,000
Geotechnical Costs	100,000
Fundraising Costs	17,500
Fitout	466,217
Operational Contingency	250,000
Project Total	9,063,014

2. Table 3 PROJECT TIMEFRAME is deleted and replaced with the following:

Key Milestone	Timeframe
Plan and Design	
Award detailed design contract	Complete
Award procurement contract	Complete
Obtain all property rights	Complete
Obtain all consents	Complete
Construction	

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Award construction contract	Complete
Site Establishment	Complete
Construction Commencement Date	01 March 2022 - Commenced
Earthworks completed	1 April 2022
Building shell is complete	1 August 2022
Construction completed	17 November 2022
Code of Compliance uplift and occupation	19 December 2022
Final co funding payment received	20 January 2023
Project Close	
Opening Event	TBC

3. Table 4 PRIMARY CONSTRUCTION BUDGET is inserted as follows:

Preliminaries and General	\$449,421
Health and Safety	\$12,556
CAR (Contractors All Risk) Insurance	\$15,800
Excavation	\$254,761
Siteworks & Landscaping	\$721,122
Bund and paling fence South boundary	\$70,521
Drainage	\$197,072
Concrete	\$591,219
Precast Panels	\$283,432
Structural Steel	\$743,619
Metal work	\$16,101
Carpentry, linings and paint	\$917,613
Access Equipment & Scaffolding	\$15,000
Temporary Security Fence	\$11,517
Electrical	\$327,955
HVAC	\$179,135
Fire Alarm	\$57,781
Plumbing	\$166,192
Suspended ceilings	\$57,019
Aluminium Joinery	\$56,525
Internal aluminium partitions and windows	\$35,491
Roller Doors	\$9,340

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Cycle parks	\$4,560
Colorsteel cladding, spouting & DP's	\$724,731
Waste Recycling & Disposal	\$7,785
Toilet Partitions	\$26,400
Floor Finishes	\$103,420
Court Flooring	\$297,634
Floor protection over courts, vinyl and carpet	\$7,238
Builders Clean	\$5,000
Misc. Labour	\$5,000
	\$6,370,960
Consultant / Design Fees	
Structural Engineer	\$75,500
Architect	\$160,175
Fire	\$15,500
Surveyor	\$11,000
Civil	\$14,000
Hydraulics	\$10,500
Seismic design for suspended ceilings	\$7,490
Design/Consent Management	\$28,470
	\$322,635
TRADES & CONSULTANTS FEES	6,693,595
CONTINGENCY	\$300,000
SUB TOTAL	6,993,595
Margin	\$489,552

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SUB TOTAL PROJECT COST EXCL GST	7,483,147
PROVISIONAL SUMS (not included in the above summary) - includes margin - P&G above	
Consent Fees including Peer re-views and Planner	\$53,500
Joinery	\$63,969
Basketball Back Stops	\$48,419
Scoreboards and Shot clocks	\$23,780
Court Seating	\$67,533
Draper Fold Up Curtain	\$52,246
Netball Goals	\$4,283
Badminton Nets	\$9,506
Volleyball Nets	\$9,654
Freight for gym equipment	\$8,243
FINAL FITOUT PROVISIONAL TOTAL EXCL GST	\$341,133
TOTAL CONTRACT VALUE EXCL GST	\$7,824,280

4. Table 5 CO FUNDING BREAKDOWN is inserted as follows:

Funder	Co funding total \$	Date	Contract milestone co funding totals \$
Trust Waikato	700,000	2020	
Trust Waikato	74,569	Oct-21	
Lotteries Major Projects	1,000,000	Nov-21	
Grassroots Trust	200,000	Dec-21	
Trust Waikato	300,000	Dec-21	2,274,569
Waitomo District Council	1,500,000	May-22	1,500,000
Te Kuiti High School BOT	163,014	Jun-22	
Lotteries Major Projects	1,000,000	Jun-22	1,163,014

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Ministry of Education	2,115,000	Aug-22	
Lotteries Major Projects	1,000,000	Aug-22	
Ministry of Education	235,000	Jan-23	3,350,000
Total	\$8,287,583		

Document No: A606991

Report To: Council



Meeting Date: 29 March 2022

Subject: Use of Waitomo District Council Community Facilities under the COVID-19 Protection Framework

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present to cease the requirement for Vaccination Passes for entry into Council owned and operated facilities.

Background

- 2.1 The COVID-19 Delta variant has been present in New Zealand communities since August 2021 and the Governments elimination strategy using Alert Levels continued to operate whilst vaccinations were rolled out to the wider community.
- 2.2 In October 2021, the Government announced the move away from the elimination strategy to a suppression strategy under a new COVID-19 Protection Framework (CPF), providing greater freedoms to fully vaccinated persons. This framework is also called the Traffic Light System. New Zealand moved to the CPF on 3 December 2021.
- 2.3 The CPF provisions are set out in the COVID-19 Public Health Response (Protection Framework) Order 2021 (Order), which came into force on 3 December 2021. The Order imposes different requirements on different sectors depending on the specified settings (red, orange, green). From 3 December 2021, the Waitomo District operates under the 'Orange' setting.
- 2.4 Under the 'Orange' setting of the CPF, Vaccine Passes must be used to operate certain events and to provide certain services (i.e., events (concerts), hairdressers, gyms), restricting access to only vaccinated persons. Other services and activities will require Vaccine Passes to continue with fewer or no restrictions (i.e., cafes, gatherings). Note, it is prohibited to require Vaccine Passes for 'essential services' (i.e., supermarkets and pharmacies).
- 2.5 Where Vaccine Passes are not required or prohibited by the Order, it is up to the relevant organisation to decide whether to require Vaccine Passes or not. This is currently the case for all public facilities.
- 2.6 A "Public Facility" is defined in the Order as premises owned or managed by central or local government, which are used for recreational, social, community or cultural activities or services, open to the public generally (including premises where fees are charged for entry) and are indoor or a mix of indoor and outdoor. Examples include museums, libraries, and zoos. The event or gathering rules apply to any part of a facility that is hired for exclusive use.
- 2.7 Council on the 14 of December 2021 resolved:

- 1 *The business paper on Use of Waitomo District Council Community Facilities under the COVID-19 Protection Framework be received.*

2 Council approve the requirement for the public aged 12 years and 3 months and over to produce a valid Vaccine Pass to gain entry to the following Council facilities from 8.00am on Monday 17 January 2022:

- Te Kuiti Library
- Waitomo District Council Admin Building and Council Chambers
- Te Kuiti i-Site
- Council Controlled Halls (and community managed Council halls where required in accordance with the CPF)
- Waitomo District Aquatic Centre

as detailed in the WDC Facility COVID-19 Risk Assessment (14 December 2021) which is attached to and forms part of these Minutes.

3 Council delegates authority to the Chief Executive, in consultation with the Mayor, to make further decisions on restricting entry to any Council facility should this be considered necessary for the safety of staff and the community.

4 Council notes that due to the fast-changing pace of the COVID-19 environment, the risk levels and Council's response will be monitored and reviewed no later than March 2022 and/or as legislative changes are advised, traffic light settings are changed and revised guidance by various sectors are issued.

Commentary

3.1 On Wednesday the 23 March Government announced the following key changes to the Covid – 19 Protection Framework:

- Removal of the vaccination mandate for all businesses except some critical industries including health and border employees (26 April 2022)
- Removed the requirement for My Vaccine Pass (MVP) for all businesses and venues (4 April 2022)
- Under Red setting increase the venue limits for hospitality from 100 to 200 people (26 April 2022)
- Removed the venue limits for outdoor event (26 April 2022).

3.2 The change to the Public Health Order will remove the MVP requirements for Council operated facilities from 4 April 2022.

Recommendation

4.1 It is recommended that Council adhere to the Public Health Order and no longer require a valid Vaccine Pass for entry at all Council facilities, from 8 am 4 April 2022.

Suggested Resolutions

1 The business paper on Use of Waitomo District Council Community Facilities under the COVID-19 Protection Framework be received.

2 Council note the change to the Covid-19 Protection Framework.

3 Council approve the removal of the requirement for the public aged 12 years and 3 months and over to produce a valid Vaccine Pass to gain entry to the following Council facilities from 8.00 am on Monday 4 April 2022:

- Te Kuiti Library
- Waitomo District Council Admin Building and Council Chambers
- Te Kuiti i-Site
- Council Controlled Halls (and community managed Council halls where required in accordance with the CPF)
- Waitomo District Aquatic Centre.

- 4 Council delegates authority to the Chief Executive, in consultation with the Mayor, to make further decisions on entry to any Council facility should this be considered necessary for the safety of staff and the community.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

23 March 2022

Document No: A606952

Report To: Council



Meeting Date: 29 March 2022

Subject: Cyclone Dovi - Infrastructure Damage

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide Council with an understanding of the damage Cyclone Dovi caused to infrastructure across the district in February 2022. The paper also outlines the remedial works which have been undertaken to date and the steps forward.

Background

- 2.1 A severe weather event caused by Tropical Cyclone Dovi hit the Waitomo District on 12 and 13 February 2022.
- 2.2 Wind gusts of over 150 km/h and rainfall of over 200 mm in 24 hours were experienced in some parts of the district.
- 2.3 Significant damage to localized areas of the road network and three water services infrastructure was caused by the subsequent flooding and strong winds.

Commentary

3.1 ROADING INFRASTRUCTURE

- 3.2 Roading infrastructure has been the most affected council asset with over 304 sections of the road affected. Repair costs are estimated at over \$15m.
- 3.3 The majority of the damage occurred as a result of landslips (187 sites). Other damages include scouring or shear failures (9), fallen trees (55), debris (47) and blocked drains (6). A map identifying the location of these damages is presented in Appendix 1.
- 3.4 Reported issues were promptly responded to by the Roading Maintenance Contractor. Roads were opened, once the Geotech assessments had been undertaken to identify that it was safe to do so.
- 3.5 View Terrace and Taumatotara West Roads are currently closed to the general public while remedial options are being considered. The roads closed or partially opened are presented in Appendix 2.

3.6 THREE-WATERS INFRASTRUCTURE

- 3.7 During the high rainfall event and flooding that followed, the Te Kuiti Water Treatment Plant received highly sediment-laden raw water. The treatment plant was adjusted to ensure the continued production of drinking water that met the drinking water standards.
- 3.8 Floodwater in Mangaokewa Stream washed away an old ford near Ahoroa Ford West. A water pipeline which was under the ford has been exposed. Remedial options are currently being assessed.

- 3.9 Localised flooding and rainfall inundated the wastewater network causing surcharges and wastewater overflows. Several wastewater overflow sites were cleaned after the floodwater receded.
- 3.10 Te Kumi Wastewater Pump Station which is beside Mangaokewa Stream had 2m of floodwater above it resulting in further inundation. Under normal operating conditions, this pump station is 1.5m above the stream water level.
- 3.11 Surcharged wastewater network near Te Kuiti Primary School resulted in a burst pipe, a large sinkhole and collapse of surrounding trees. The 4m deep pipeline has been repaired.
- 3.12 A large slip on View Terrace in Piopio exposed a low-pressure-sewer main. This pipeline has been abandoned to minimise the risk of overflows and work is underway to drill a new pipeline from Kea Street to Kuku Street. Septic tanks of properties on this road are being managed using vacuum trucks.
- 3.13 Several stormwater pipes blocked by flood debris have been cleared.

3.14 OTHER INFRASTRUCTURE

- 3.15 A grave at Piopio cemetery filled with water and had to be immediately pumped out before the burial ceremony.
- 3.16 The Marokopa Transfer Station was closed due to flooding.
- 3.17 The Te Kuiti Aerodrome was flooded and the motor to the gates had to be replaced.

3.18 ROADING INFRASTRUCTURE REMEDIATION

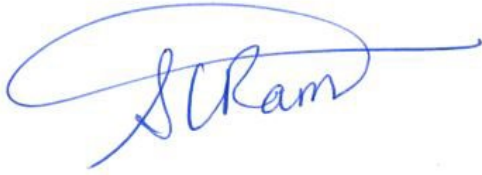
- 3.19 A three-phased approach was taken to reinstate the damaged roading network. Phase 1 included clearing and opening roads where it was safe to do so. Phase 2 included cleaning and disposing slip materials left on roadsides – current phase. Phase 3 will include designing and constructing the remedial options.
- 3.20 Of the 187 landslips and 9 souring or shear sites, over 50 of them will require some form of structure, for example retaining walls and gabion baskets. Consultants will be engaged to design the structure.
- 3.21 Following the design stage, contractors will be engaged to undertake permanent repairs. Due to the scale of the project, the overall project may need to be split into several contracts.
- 3.22 Repairs on roads that are currently closed (View Terrace and Taumatotara West Road) will be prioritised. Early repairs could also commence on sites that require minimal Geotech assessments or structural design.
- 3.23 Repairing all the damaged sections could take a couple of years.

3.24 WAKA KOTAHI NZTA FUNDING ASSISTANCE FOR EMERGENCY WORKS

- 3.25 The normal Funding Assistance Rate (FAR) with Waka Kotahi NZTA is 75%. For the first 10% of the total cost of the approved Maintenance Operations and Renewals (MOR) programme for the financial year, Waka Kotahi NZTA's Funding Assistance Rate towards emergency works will be 75%. For the remaining cost of emergency works, Waka Kotahi NZTA's Funding Assistance Rate will be 95%.
- 3.26 Waka Kotahi NZTA allowed six weeks from the date of the cyclone for the emergency National Land Transport Funding requests. Waitomo District Council's funding request was submitted within this period on 17 March 2022.
- 3.27 Staff members from Waka Kotahi NZTA will visit the district to witness the extent of damage caused by Cyclone Dovi and validate the remedial options proposed.

Suggested Resolution

The business paper on Cyclone Dovi - Infrastructure Damage is received.



SHYAMAL RAM

GENERAL MANAGER - INFRASTRUCTURE SERVICES

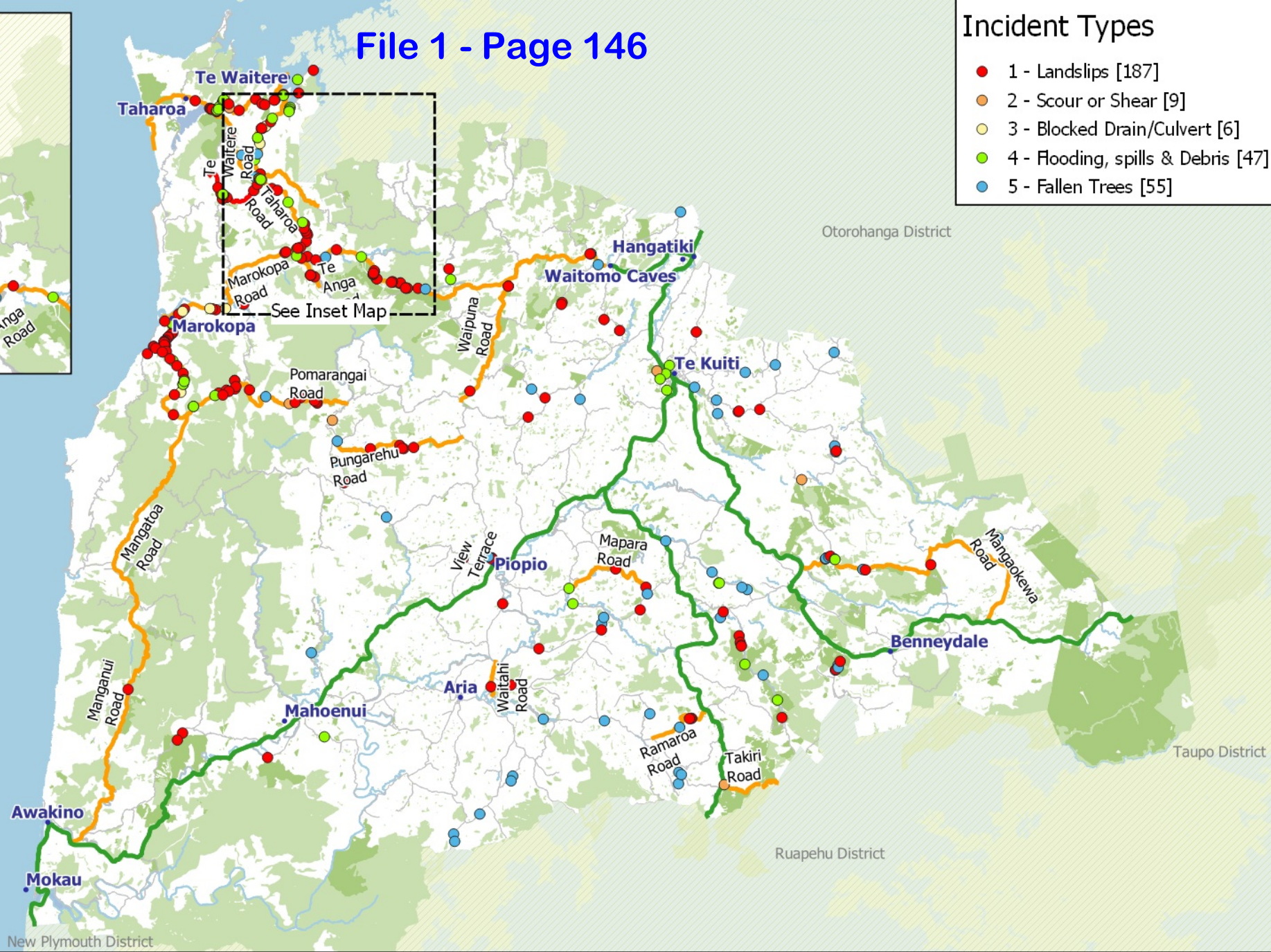
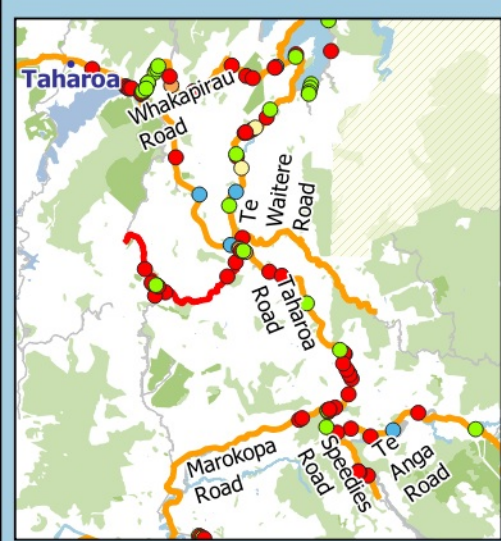
March 2022

Attachment(s):

- 1 Rooding Infrastructure Damage Map (A606956)
- 2 Road Closure Map (A606957)
- 3 Photos of Certain Damaged Infrastructure (A606958)

Incident Types

- 1 - Landslips [187]
- 2 - Scour or Shear [9]
- 3 - Blocked Drain/Culvert [6]
- 4 - Flooding, spills & Debris [47]
- 5 - Fallen Trees [55]



Waitomo District Council Cyclone Damage - Roding

Current at 02 March 2022

Legend

- Road Closed
- Road Partially Open
- State Highway



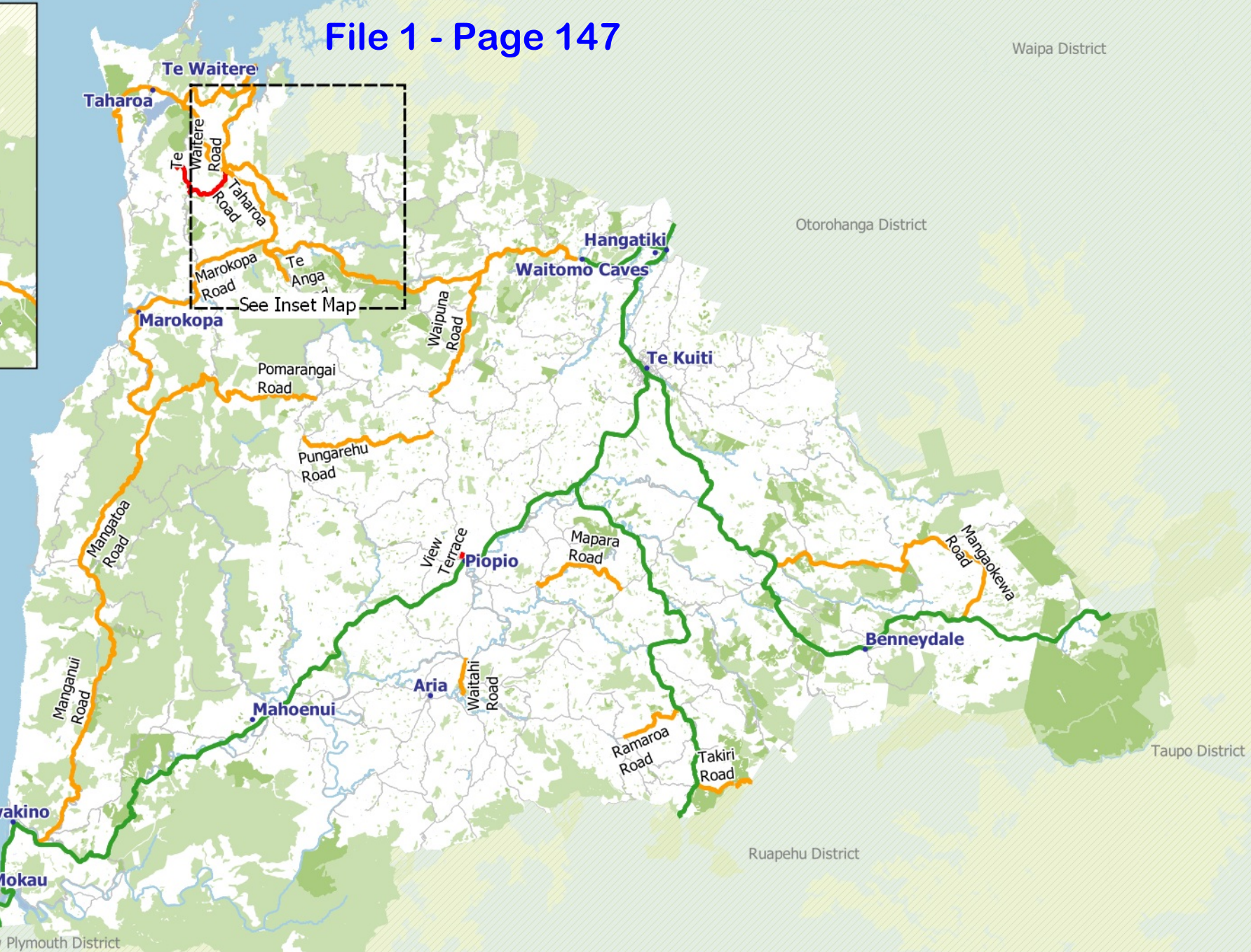
Waipa District

Otorohanga District

Taupo District

Ruapehu District

New Plymouth District

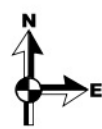


Waitomo District Council Road Closures

Current at 02 March 2022

Legend

- Road Closed
- Road Partially Open
- State Highway



Appendix 4 - Photos of Certain Damaged Infrastructure



Photo 1: Te Kumi WWPS before the flood



Photo : Te Kumi WWPS during the flood



Photo 3: Sinkhole at Te Kuiti Primary School



Photo 4: Repaired Pipe at Primary School



Photo 5: Exposed pipe at Ahoroa Ford West



Photo 6: Exposed wastewater pipe at View Tce



Photo 7: Mangatōa Road Landslip



Photo 8: View Terrace Landslip



Photo 9: Mangatōa Road Shear Failure



Photo 10: Taharoa Road Landslip



Photo 11: Mangatōa Road Landslips



Photo 12: Taumatotara West Road Landslip

Document No: A606553

Report To: Council



Meeting Date: 29 March 2022

Subject: Adoption of Statement of Proposal for Consultation on Rates Remission Policy Review

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Statement of Proposal to Council for consideration and adoption to enable public consultation on the proposed changes to the Rates Remission Policy (the Policy).

Background

- 2.1 The Local Government (Rating of Whenua Māori) Amendment Act 2021 (Amendment Act) received Royal Assent on 12 April 2021, which resulted in a number of changes to the Local Government Act 2002 (LGA) and Local Government (Rating) Act 2002 (LGRA).
- 2.2 The LGA was amended to include Section 102(3A) which prescribes that the Policy must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.
- 2.3 As the Policy was only recently reviewed and adopted as part of the 2021-31 Ten Year Plan (10YP), the focus of this review has been to ensure that the Policy supports the principles set out in the Preamble of the Te Ture Whenua Māori Act 1993 and that any other changes to the LGRA that may affect Council's Remission Policy have been considered and incorporated into the Policy.
- 2.4 The most significant changes are due to the requirement now under LGRA to write off rates that cannot be reasonably recovered, the Māori freehold land Occupied and Productive category is no longer required in the Policy. Rate arrears that are not recoverable from the previous occupiers, must now be written off under LGRA. Any new lessee on the property will no longer need to apply for remission under this category.
- 2.5 The LGRA now requires all local authorities to consider remissions for Māori freehold land under development. Councils existing Rates Remission Policy already includes a remission category for Māori freehold land economic use and development. The policy has been further strengthened to reflect the benefits and matters to be considered under Section 114A of the LGRA and provide more flexibility when determining the proportion of rates remitted for Māori freehold land under development.
- 2.6 Generally, the method prescribed in the Policy will be applied however the updated wording gives Council the flexibility to provide rates remission at a different level or phased differently during the various stages of development.
- 2.7 The Amendment Act allowed for the review of the Policy to be completed on or before 1 July 2022, this is a requirement to ensure compliance with the new legislation.

Commentary

- 3.1 At the Council Workshop on 10 March 2022, elected members were presented with the track changed Draft Policy on Rates Remission, and the draft Statement of Proposal.
- 3.2 As the Council recognised the purpose and principle of the Te Ture Whenua Māori Act 1993 when developing and considering the existing policy, the suggested changes are minor in nature.
- 3.3 There are several proposed changes throughout the document to align the narrative to the Amendment Act, specifically referencing the Preamble and the consideration of the Preamble when Council has developed the Policy.

- 3.4 It is proposed that the extent of remissions is updated to give more flexibility when determining the proportion of rates to be remitted on a case by case basis.
- 3.5 Attached for Council's information is a copy of the final draft Rates Remission Policy (refer to **Attachment 1**).
- 3.6 The Policy is intended to promote community wellbeing and to ensure fair and equitable collection of rates from all sectors of the community as required by the LGA.

Analysis of Options

4.1 **OPTIONS**

- 4.2 The reasonably practicable options related to the adoption of the proposed policy are:

Option 1: Adopt the Statement of Proposal for consultation (recommended)

Option 2: Status quo, continue with the current policy.

- 4.3 Option 1, if approved, would require Council to commence consultation for the Policy to be undertaken as outlined below.

Considerations

5.1 **RISK**

- 5.2 If the Policy is not reviewed and adopted by 1 July 2022 as specified in the Amendment Act it may not fully meet the legislative requirements.

5.3 **PUBLIC CONSULTATION**

- 5.4 The proposed changes to the Policy, can only be made after the public consultation using the special consultative procedure as provided for in section 83 of the Local Government Act 2002 (LGA).

- 5.5 Section 83 of the LGA process will involve;

- The development and adoption by of a statement of proposal for consultation
- Consultation period of one month;
- An opportunity for people wishing to present their views to Council in person; and
- Council consideration of any submissions, and subsequent adoption of the policy.

- 5.6 The proposed timeframes for the consultation and adoption process are set out below.

Timeframes for consultation	
Consultation Period	30 March – 03 May 2022
Council Meeting Hearings	12 May 2022
Council Meeting Deliberations	31 May 2022
Council Meeting Adopt the Final Policy	28 June 2022

- 5.7 The Statement of Proposal and Submission Form will be available on the WDC website, Waitomo District Council Library and Te Kuiti i-SITE. Public notice will also be given in the King Country News. Waitomo District Council Facebook page will also be used to notify the public regarding the consultation.

5.8 **SIGNIFICANCE AND COMMUNITY VIEWS**

5.9 Adoption of option 1 will trigger Council's Significance and Engagement Policy. Community views are proposed to be sought on the Policy.

Recommendation

6.1 Council adopts the Statement of Proposal for public consultation.

Suggested Resolutions

- 1 The business paper on Adoption of Statement of Proposal for Consultation on Council's Rates Remission Policy be received.
- 2 Council adopts the Statement of Proposal for the proposed amendments to the Rates Remission Policy for public consultation from 30 March to 3 May 2022.



CHARMAINE ELLERY
MANAGER STRATEGY AND POLICY



ALEX BELL
GENERAL MANAGER – STRATEGY AND ENVIRONMENT



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

17 March 2022

Attachment:

- 1 Final Draft Rates Remission Policy (A606862)
- 2 Draft Statement of Proposal (A606418)

Final Draft

Waitomo District Council

Rates Remission Policy (Including
Remissions and Postponements of Rates on Māori
Freehold Land)

2022

First adopted	24 June 2008
Last Reviewed	29 June 2021
Review Date	June 2024
Associated documents	N/A
Responsibility	GM Business Support

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INTRODUCTION | KUPU ARATAKI

In accordance with section 85 of the Local Government (Rating) Act 2002 (LGRA).

- i. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
 - a) The local authority has adopted a remissions policy under section 102 of the Local Government Act (LGA), and
 - b) The local authority is satisfied that the conditions and criteria in the policy are met.

The local authority must give notice to the ratepayer identifying the remitted rates.

Section 102 (3A) of the LGA prescribes that the Rates Remission Policy must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. In preparing this policy Council has considered the Preamble, as well as the purpose and core principles of the Te Ture Whenua Māori Act 1993.

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

The purpose of the Rates Remission Policy (RRP) is to allow for rates remissions on eligible properties, including Māori freehold land.

The RRP provides for the remission of rates for the following remission categories:

- Remission of Rates for Properties used jointly as a single unit.
- Remissions for Community Organisations and Clubs and Societies.
- Remission for Organisations providing Care for the Elderly.
- Remission of Rates on Māori Freehold land.
- Remission of Penalties.
- Remission of Rates and/or penalties following a rating sale or an abandoned land sale.
- Remission of Rates for New Residential Subdivisions.
- Remission of Rates in Cases of Genuine Financial Hardship.
- Remission of Rates in Cases of Land Affected by Natural Calamity.
- Remission of Rates for New Businesses.

Land protected for conservation purposes is excluded from the Remission Policy as Council is of the view that the Local Government (Rating) Act 2002 provides adequately for this type of land.

Land that is subject to the following is considered to be non-rateable under Schedule 1 of the Local Government (Rating) Act 2002:

- Queen Elizabeth the Second (QEII) covenant.
- Nga Whenua Rahui Kawenata (from 1 July 2021).
- National Park under the National Parks Act 1980.
- Conservation area under the Conservation Act 1987.
- Reserve under the Reserves Act 1977.
- Wildlife management reserve, wildlife refuge, or wildlife sanctuary under the Wildlife Act 1953.

- Land owned by a society or association of persons that is used for conservation or preservation purposes, not used for private pecuniary profit and able to be accessed by the general public.

DELEGATION TO OPERATE, APPLICATION PROCESS AND REVIEW OF DECISIONS

The Chief Executive is delegated the authority to apply the Rates Remission Policy. Access to the rate remission arrangements is by way of application to the Council by the owner or occupier of the rating unit(s) or by staff who may process applications on behalf of owners of unoccupied and unproductive Māori freehold land.

In the event that any applicant for remission of rates, seeks a review of any decision taken under delegation, the following process shall be followed:

- a) Any application for review shall be made in writing, on the prescribed form, outlining the reasons for seeking a review and including appropriate documentation in support.

Note: Additional information may be requested to allow a better understanding of the merits and background of the application.
- b) The application will be investigated and the application together with a report and recommendation thereon will be submitted to a meeting of the Council for its consideration and decision.
- c) The decision of the Council will be final, and the applicant will be notified of the decision within 10 working days of the decision being made.
- d) A schedule of all remissions processed will be maintained and advised annually to the Audit Risk and Finance Committee.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Hapu	Whanau groups descended from their own hereditary ancestor.
Indigenous flora and fauna	Plants and animals originating from New Zealand.
Land used for farming purposes	Land used for 'pasturage'; being, the business of feeding or grazing livestock.
Māori customary land	Land held under the customs and usages of the Māori people, the title to which has not been investigated by the Māori Land Court.
Māori freehold land	Māori freehold land is defined in Section 5 of the LGRA as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Māori freehold land is liable for rates in the same manner as if it were general land, subject to the provisions of Part 4 of the LGRA.
Ratepayer	Is the person or persons identified in our rating information database as the person liable for rates – generally that person is the owner of the rating unit.
Remission	Means the requirement to pay the rate for a particular financial year is forgiven in whole or in part in accordance with this policy.
Tangata Whenua	Māori people of a particular area or as a whole as the original inhabitants of New Zealand. Māori people of the land in their tribal area.
Taonga tuku iho	Legacy, treasure.

Unoccupied or unproductive Land

Land will be defined as unoccupied or unproductive unless there is a person, whether with a beneficial interest in the land or not, who, alone or with others, carries out any of the following activities on the land:

- (a) Leases the land; and/or
- (b) Does **any** of the following things on the land, with the intention of making a profit or for any other benefit:
1. Resides on the land;
 2. De-pastures or maintains livestock on the land;
 3. Stores anything on the land;
 4. Beehives are located on the land; or
 5. Uses the land in any other way.

Waahi tapu

Means land set apart under Section 338(1) (b) of the Te Ture Whenua Māori Act 1993 (a place of special significance according to tikanga Māori).

Whanau

Extended family in which a person is born and socialised.

POLICY | KAUPAPA HERE

Council may provide rates remission on eligible properties that meet the conditions and criteria specified under each remission category.

REMISSION CATEGORIES

1. Remission of Rates for Properties Used Jointly as a Single Unit

1.1. Objectives

1.1.1 This remission category addresses land ownership and land use situations that fall outside the limitation defined by Section 20 of the LGRA.

1.1.2 Objectives of this policy are:

- a) To extend the definitions of ownership and contiguous land as contained in Section 20 (a) and (c) of the LGRA.
- b) To assist the use of rateable land as part of a farming operation where not all the rateable land is contiguous with land owned, or occupied under long term lease, by the same person or persons but is nevertheless used jointly as a single farming unit. The intention being to ensure that the use of such rateable land for farming purposes is not disadvantaged by the obligation to pay multiple UAGCs and other Targeted uniform annual charges – (i.e. all rates other than those charged on the basis of capital value).
- c) To assist ongoing rural economic development by removing a UAGC and Targeted uniform annual charge liability that might create a cost barrier to the efficient integration of non-contiguous land into one farming operation.
- d) To assist in the utilisation of unoccupied, undeveloped land in township areas to achieve:
 - i. Good land management,
 - ii. An improvement to visual amenity values,
 - iii. Better environmental outcomes through assisting in weed and pest management,
 - iv. Reduction of risk of fire hazard and to public health.

- 1.1.3 By enabling contiguous or non-contiguous vacant sections that are owned or occupied under long term lease by the same person or persons and used jointly as a single unit that might otherwise be unfairly disadvantaged by way of the obligation to pay multiple UAGCs and other Targeted uniform annual charges.

1.2. Conditions and criteria

1.2.1. Rateable Land used for Farming Purposes

Eligible farming properties are those where:

- a) The applicant is the owner or can demonstrate a long term interest in two or more separately rateable rural farm properties and that two or more of those properties are used for farming purposes; and
- b) The properties are used jointly as a single farm property for the purpose of carrying out a farming operation; and
- c) The property for which the remission is sought does not carry sufficient improvements to allow it to be operated as a separate farming unit; and
- d) The land for which the remission is sought is not occupied by a habitable dwelling.

1.2.2. Rateable land located within Waitomo District townships

Eligible properties within townships are those where:

- a) The applicant is the owner or holds a written long term interest in two or more separately rateable properties that may or may not be contiguous; and
- b) The properties are used jointly as a single property; and
- c) The property for which the remission is sought does not carry improvements exceeding \$1,000 in value and is not occupied by a dwelling.
- d) The property for which the remission is sought must be maintained in good order and repair as ascertained by the Council.

Application for remission of rates on properties used jointly as a single unit must be made on a 3 yearly basis to ensure continued eligibility for remission. Applicants are required to apply prior to the commencement of the rating year and no later than 30 April. It is the responsibility of the owner or person holding a long term interest in the property to notify Council of any change in circumstance in the interim period.

1.2.3. Extent of remission

For eligible properties that may be treated as a single rating unit by meeting the conditions and criteria in this category, Council may remit the UAGC(s) and other targeted uniform annual charges. For the avoidance of any doubt, the number of rates charged on the basis of SUIP will equal the number of SUIPs; and there will be one charge for each targeted fixed annual rate based on rating unit.

2. Remissions for Community Organisations and Clubs and Societies

2.1. Objectives

- 2.1.1 This remission category provides rates remission to eligible 'not for profit' community organisations and recreational clubs and societies in the Waitomo District that meet the conditions and criteria of this category.

2.1.2 Objectives of this policy are:

- a) To recognise the value of encouraging participation in active and passive recreation.
- b) To extend the arrangement provided for in the LGRA (for arts and heritage groups on Council land), to similar arts and heritage groups on private land.
- c) To recognise the value of community organisations in the District by providing rates remission including but not limited to those 'not for profit' organisations which exist primarily for the provision of emergency services, community halls, museums, art galleries, marae, churches and pre-schools.
- d) To support the development of arts and culture in the Waitomo District.
- e) To support the development of sport and physical recreation in the Waitomo District by providing rates remission for private clubs at the same level as those clubs located on and having long term tenure over Council owned land which is non-rateable under Schedule 1, Part 1 (4) of the LGRA.

2.2. Conditions and criteria

2.2.1 To be eligible for this remission the following criteria must be satisfied:

- a) The land must be used exclusively or principally for sporting, recreation, or community purposes,
- b) Organisations must be 'not for profit' and/or for charitable purposes.

2.2.2 Organisations who exist for private pecuniary profit or engage in recreational, sporting or community services as a secondary purpose are not eligible.

2.2.3 Council retains discretion as to whether to grant a remission in any particular case.

2.3. Extent of remissions

2.3.1 Eligible organisations will receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services.

2.3.2 For avoidance of doubt - any rating unit with sewerage pan charges over and above the sewerage base charge will receive 100% remission of the pan charges.

2.3.3 Any eligible rating unit that is within 30 metres of the sewerage network and/or 100 metres from the water network, but is not connected, will have the serviceability rate/s remitted.

2.3.4 Any organisation opting for a private solid waste collection arrangement will not pay the solid waste collection rate and would not receive a collection service.

2.4. Applications

2.4.1 Organisations that have not previously received a remission must complete an application form for rates remission. Applications must be received by Council by 30 April.

2.4.2 For organisations that have previously received rates remission, an application form needs to be completed by the organisation every 3 years to confirm that the land-use remains eligible for remissions for the subsequent 3 years. Applications must be received by Council by 30 April, prior to the commencement of the rating year.

2.4.3 A completed application MUST be received before a rates remission can be considered. It is the responsibility of the applicant to notify Council of any change in circumstance in the interim period between applications.

- 2.4.4 Organisations making application should include the following in support of their application:
- a) Statement of objectives
 - b) Full financial accounts
 - c) Information of activities and programmes
 - d) Details of membership
- 2.4.5 Organisations making application should ensure that the application provides sufficient information to demonstrate that:
- a) Their activities benefit or are available to the entire community
 - b) They are currently operative
 - c) They are 'not for profit' and/or for charitable purposes
 - d) The land for which they are seeking remission is exclusively or principally for sporting, recreation, or community purposes.

3. Remission for Organisations Providing Care for the Elderly

3.1. Objectives

- 3.1.1 This remission category provides remission for eligible community based organisations that provide care for the Elderly when they meet the specified conditions and criteria for this category.
- 3.1.2 Council wishes to support community-based organisations that provide much needed facilities and services for the Elderly within the Waitomo District. The intent is to recognise and assist those organisations that provide specialised care for the Elderly who, in the absence of such services, may need to relocate outside of the Waitomo District, away from family and friends.
- 3.1.3 Objectives of this policy are:
- a) To support those organisations that provide facilities and services that care for and enable the Elderly to reside in the Waitomo District.
 - b) To support Council's commitment for Waitomo to be a district which values its older people, promotes their meaningful contribution to the community, and facilitates a positive ageing experience for all.
 - c) To recognise the ageing population of New Zealand and this District, Council aims to facilitate and support the provision of a range of accessible, safe and affordable housing for the elderly.

3.2. Conditions and criteria

- 3.2.1 This remission arrangement is available on application on a 3 yearly basis by qualifying organisations which:
- a) Are charitable organisation(s). Charitable organisations are organisations (incorporated or not) that carry out charitable activities or exist exclusively for charitable purposes. For an organisation's purposes to be charitable its activities or aims must be for public purposes - the benefit must be available to a large part of the community. In addition, it must not be carried on for the benefit or profit of any individual or group; and
 - b) Provide Rest Home level of care to the Elderly. Rest Home level of care is defined as the provision of 'everyday living assistance' to the Elderly who are fully

dependent on other people to assist them with everyday life (e.g. to cook, clean, shower, etc); and/or

- c) Provide Hospital Level Care for the Elderly. Hospital level care is defined as provision of palliative care type facilities, the ability to prescribe medicines as per national health standards and have the requisite number of trained nurses as per national and DHB health standards.

3.2.2 It is the responsibility of the Organisation to notify Council of any change in circumstance in the interim period between applications.

3.2.3 Extent of remission

3.2.4 Organisations that demonstrate compliance with the criteria will receive a rates remission of 100% of assessed rates EXCLUDING service charges set for Water, Sewerage and Solid Waste Collection. Any organisation opting for a private Solid Waste Collection arrangement will not pay the Solid Waste Collection Rate and would not receive a Collection Service.

3.3. Piopio Retirement Trust Board

- a) In recognition of the unique situation that exists with the Piopio Retirement Village and of the invaluable role it plays within the Piopio community, both now and for in the future, an annual rate remission is available as detailed below.
- b) A single pumped tank is located at the low point near the entrance to the Village, including connection to the main sewer.
- c) The Piopio Retirement Village will receive an annual rates remission of nine service charges for Sewerage and 50% of nine service charges for Solid Waste Collection, Solid Waste Management and Water.
- d) Every three years a declaration is required from the Piopio Retirement Village confirming that the status of the Trust has not changed. It is the responsibility of the Trust to advise Council of any change in circumstance in the interim period between declarations.
- e) Council retains the right to review and/or withdraw its support to the Piopio Retirement Village at any time should circumstances change.
- f) The annual remission for the Piopio Retirement Village will form part of Council's total annual rates remission budget and it will be separately funded by way of a Targeted Uniform Annual Charge (TUAC) levied on all rateable units situated within the Piopio Township and the Piopio Wider Benefit Rating Areas.

4. Remission of Rates on Māori Freehold Land

4.1. Objectives

- 4.1.1 This policy is prepared pursuant to Sections 102 and 108 of the LGA and Section 114 of the LGRA. In preparing this policy Council has considered the matters set out in Schedule 11 of the LGA as well as the Preamble, purpose and core principles of the Te Ture Whenua Māori Act 1993.
- 4.1.2 Māori freehold land is defined in the LGRA (Section 5) as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Māori Freehold Land is liable for rates in the same manner as if it were general land, subject to the provisions of Part 4 of the LGRA.
- 4.1.3 Other than Māori freehold land that may from time to time be exempted by an Order in Council (as provided for in Section 116 LGRA), this policy does not provide for permanent remission or postponement of rates on all other Māori freehold land recognising the potential for changes in circumstance and land use.

4.1.4 The objectives of this policy are to:

- a) Support the use of the land by the owners for traditional purposes
- b) Recognise and support the relationship of Māori and their culture and traditions with their ancestral land
- c) Avoid further alienation of Māori freehold land
- d) Support the owners to develop or convert unproductive and unoccupied land for economic use
- e) Ensure the fair and equitable collection of rates from all sectors of the community, recognising that certain Māori owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.

4.1.5 For the purposes of this policy, rates are deemed to include penalties.

4.2. Land changed under the Māori Affairs Amendment Act 1967

4.2.1 The Māori Affairs Amendment Act 1967 introduced compulsory conversion of Māori freehold land with four or fewer owners into general land. There was strong opposition to this Act, which resulted in the legislation being repealed in 1974. Since that time many of the properties have remained general land on the title, however the substance of the land is Māori freehold land and in every practical sense the land changed under the repealed Act should be treated as such.

4.2.2 Accordingly, all land that was changed to general land as part of the Māori Affairs Amendment Act 1967 is considered to be Māori freehold land for the purposes of this remission policy and owners of such land may apply for all 3 categories of remission.

4.3. Remission categories

4.3.1 This policy provides two categories of remission:

Category A: Māori Freehold Land – Unoccupied and Unproductive Land Blocks

Category B: Māori Freehold Land – Economic Use and Development

4.4. Māori freehold land register

4.4.1 Council will maintain a register titled the Māori Freehold Land Rates Remission Register for the purpose of recording the rating units for which rates are remitted pursuant to this Policy. The Register will comprise of two category lists, these being:

Category A: The 'Māori Freehold Land Unoccupied and Unproductive Remissions List', used to achieve objectives detailed in schedule 1

Category B: The 'Māori Freehold Land Economic Use and Development Remissions List' used to achieve objectives detailed in schedule 2

4.5. Applications

4.5.1 Applications for all categories must be made on the prescribed form and must be received by Council prior to the commencement of the rating year and no later than 30 April.

4.5.2 The application must be supported by sufficient supporting information to allow an informed decision to be made in respect of the application, including but not limited to the following:

- a) Evidence that the identified owner, agent of owner or occupier has full control over the property.

- b) A copy of any agreements or licenses to operate on the land.
- c) A description of the intended use of the land, and a statement as to how the objectives defined under this policy will be achieved by the granting of rates remission.
- d) Other documentation that Council may require to make a decision, such as historical, ancestral, cultural, archaeological, geographical or topographical information.

4.6. Duration

- 4.6.1 Remission applications approved under Category A (Māori Freehold Land Unoccupied and Unproductive Land Blocks) will receive remission for three years. A reapplication will be required triennially.
- 4.6.2 The duration of remission applications approved under Category B (Economic Use and Development) are detailed in Schedule 2 of this policy.
- 4.6.3 Where a remission of rates is made, the obligation is on the applicant to advise any change of use that might affect the eligibility of the land for any remission.
- 4.6.4 Council will monitor on an ongoing basis the use of any Māori freehold land receiving rate remission under this policy. If the status of the land changes, in that it no longer complies with the criteria, rates will be payable from the following rating year.

Note – Council will require that any rates remissions be repaid where the failure to notify Council of a change in circumstance impacts on the eligibility of the land for a rate remission.

4.7. Appeals

- 4.7.1 Appeals relating to decisions taken on the eligibility of Māori freehold land for rates remissions will follow the process outlined at the start of this Policy - Delegation to Operate, Application Process and Review of Decisions.

4.8. Payment arrangement

- 4.8.1 Where Māori Freehold land is not otherwise eligible for a remission under any section of this policy, Council may negotiate with the landowner to write off all arrears and penalties if current rates are met over a period of 2 years.

5. Remission of Penalties

5.1. Objectives

- 5.1.1 This remission category outlines the remission of penalties incurred by way of late or non-payment of rates, in accordance with Section 85 of the LGRA. Penalties are incurred for late or non-payment of rates in accordance with the amount set annually in Council's Funding Impact Statement.
- 5.1.2 The objective is to enable Council to act fairly and reasonably in its consideration of overdue rates in certain circumstances.

5.2. Conditions and criteria

- 5.2.1 Remissions for late or non-payment of rates will be considered on the following grounds:

Circumstance	Policy and Criteria	Delegation										
Extenuating circumstances	Remission of a penalty incurred on an instalment will be considered in the following circumstances: <ul style="list-style-type: none"> The ratepayer has a good payment history. Extenuating personal circumstances such as family illness, death or other tragedy. In circumstances considered just and equitable. 	Manager - Customer Services or General Manager – Community services										
Approved Payment Arrangement (Includes time to pay arrangements and lump sum arrangements)	Penalties will not be levied where an Approved Payment Arrangement of a minimum amount has been made based on the arrears total as follows: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #cccccc;"> <th style="text-align: left;">Arrears total</th> <th style="text-align: left;">Minimum amount</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">0 - \$5,000</td> <td style="padding: 5px;">Payment Arrangement of 1.25 times the Annual Rates</td> </tr> <tr> <td style="padding: 5px;">\$5,001 - \$10,000</td> <td style="padding: 5px;">Payment Arrangement of 1.5 times the Annual Rates</td> </tr> <tr> <td style="padding: 5px;">\$10,001 - \$20,000</td> <td style="padding: 5px;">Payment Arrangement of 2 times the Annual Rates</td> </tr> <tr> <td style="padding: 5px;">Over \$20,000</td> <td style="padding: 5px;">A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates</td> </tr> </tbody> </table>	Arrears total	Minimum amount	0 - \$5,000	Payment Arrangement of 1.25 times the Annual Rates	\$5,001 - \$10,000	Payment Arrangement of 1.5 times the Annual Rates	\$10,001 - \$20,000	Payment Arrangement of 2 times the Annual Rates	Over \$20,000	A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates	Sub-Committee (CEO and General Manager -Business Support)
Arrears total	Minimum amount											
0 - \$5,000	Payment Arrangement of 1.25 times the Annual Rates											
\$5,001 - \$10,000	Payment Arrangement of 1.5 times the Annual Rates											
\$10,001 - \$20,000	Payment Arrangement of 2 times the Annual Rates											
Over \$20,000	A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates											
	Current and historic penalties will be remitted where all rates have been paid in full under an approved payment arrangement. Council will consider remitting penalties that are already levied or yet to be incurred for remissions on a case by case basis.	Sub-Committee (CEO and General Manager - Business Support)										
Penalties associated with remissions	Penalties will not be levied where all or a portion of the rates assessed have been remitted under another part of the policy.	Sub-Committee (CEO and General Manager - Business Support)										

- 5.2.2 Penalties will only be remitted on written application of the ratepayer and provided that no previous penalties have been remitted within the past two rating years. In the case of penalties as a result of Council error, these are considered a correction rather than a remission and therefore fall outside of the remission policy.
- 5.2.3 To be eligible for these remissions, ratepayers must use direct debit payment, unless there are exceptional circumstances preventing this.
- 5.2.4 All penalties remitted shall be recorded in the Penalty Remission Register, where the amount remitted is over \$10 for any individual ratepayer.

6. Remission of Rates and/or Penalties Following a Rating Sale or Abandoned Land Sale

6.1. Objectives

- 6.1.1 This remission category provides for rates remission of rates arrears and penalties where a rating unit comes under new ownership as the consequence of either a rating sale or lease under sections 67 through to section 76 or sale of abandoned land as per sections 77 through to 83 of the LGRA.

- 6.1.2 The objective of this remission category is to allow for any remaining arrears or penalties following sale of abandoned land, or rating sale or lease, to be remitted so that the new owner begins with a nil balance.

6.2. Conditions and criteria

- 6.2.1 Any debt outstanding on a rating unit after application of proceeds from a rating sale or lease may be remitted following application by Council Staff.
- 6.2.2 Any debt outstanding on a rating unit after application of proceeds from the sale of abandoned land may be remitted following application by Council Staff.
- 6.2.3 Where any rating unit meets the definition of abandoned land as prescribed in section 77(1) of the LGRA and that land is unable to be sold using the authority provided to Council in sections 77-83 of the LGRA, then all rates may be remitted on an annual basis by application of Council staff.

7. Remission of Rates for New Residential Subdivisions

7.1. Objectives

- 7.1.1 This remission category provides for remission of rates to assist the establishment of new residential subdivisions by providing temporary rates relief from UAGCs assessed against individual vacant lots prior to sale. This remission category provides for the remission of UAGCs for the first full year following subdivision for residential use of 3 vacant lots or more. In that situation multiple lots will be treated as one rating unit. Application of remissions for one full rating year following subdivision provides incentive to sell as intended, but recognises that a full year may be required to achieve the developer's aim.
- 7.1.2 Objectives of this policy are:
- a) To provide a one-off remission of rates assessed against land held in separate title and forming part of a new residential subdivision so as to limit the impact of multiple UAGCs in the first year.
 - b) To encourage development within Waitomo District by providing a one off remission to the subdivider or developer of any UAGC assessed against the newly created lot(s).

7.2. Conditions and criteria

- 7.2.1 The remission will be available for land that:
- a) Has been subdivided into 3 or more vacant residential lots where the Titles have been issued; and
 - b) The unsold lots remain in the ownership of the original subdivider/developer and the land has yet to be sold on to subsequent purchasers.

7.3. Extent of Remission

- 7.3.1 A remission will be made for 100% of the UAGC for each unsold vacant residential lot, except one.
- 7.3.2 The remission will only be made for the first full rating year following the creation of the new residential lots following subdivision.

8. Remission of Rates for Cases of Financial Hardship

8.1. Objectives

8.1.1 The objective of this policy is to provide relief for residential ratepayers and 'not for profit' community organisations experiencing extreme financial hardship.

8.2. Applications

8.2.1 Where an application for rates relief due to financial hardship is received, Council may remit all or part of rates relating to a rating unit.

8.2.2 Applications on the grounds of financial hardship are considered only when exceptional financial circumstances exist. Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the ratepayer's legal obligation to pay rates.

8.2.3 An application for remission on the grounds of financial hardship can be lodged in any year that such hardship exists.

8.2.4 Council will consider, on a case by case basis, applications received that meet the criteria detailed in section 8.3 and 8.4 of this policy.

8.2.5 The Chief Executive is delegated authority to decline an application or remit rates, including arrears, of up to \$2,000 in any one case.

8.2.6 The Chief Executive will provide Council with a regular monitoring report on all applications received for a hardship rates remission, and the decisions made.

8.3. Residential rating units

8.3.1 Conditions and criteria

Council will consider, on a case by case basis, applications received that meet the following criteria:

- a) Preference will be given to rating units used solely for residential purposes (as defined by Council) when consideration is made for rates remission in cases of financial hardship.
- b) A ratepayer making an application must be the registered owner and occupier.
- c) A ratepayer making an application must not own any other rating units or investment properties (whether in the district or in another district).
- d) The ratepayer must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- e) When considering an application, the ratepayer's personal circumstances will be relevant such as age, physical or mental ability, injury, illness and family circumstances.
- f) Before approving an application, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after making the payment of rates, for normal health care, proper provision for maintenance of his or her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- g) The applicant must provide sufficient evidence on how they plan to meet their rating commitment going forward.

- h) It is expected that the ratepayer will pay a minimum of the value of the Uniform Annual General Charge per annum towards his/her rates account. However, each case will be considered on its merits.
- i) If the applicant is eligible for a Rates Rebate then such application must be made at the time of applying for rates relief due to financial hardship.

8.4. Not for profit community organisations

8.4.1 Conditions and criteria

Council will consider, on a case by case basis, applications received that meet the following criteria:

- a) The organisation must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- b) The organisation must provide sufficient evidence on how it plans to meet their rating commitment going forward.
- c) An application for remission on the grounds of financial hardship must be lodged annually. The remission is only available for a maximum of two years.
- d) Remission is not available for service charges relating to water, sewerage and solid waste collection.

9. Remission of Rates in Cases of Land Affected by Natural Calamity

9.1. Objectives

The objective of this policy is to assist ratepayers affected by events outside of their control which effects their ability to use any rating unit owned by them that is the consequence of a natural calamity.

9.2. Conditions and criteria

- a) Rates remission is available for properties that have been detrimentally affected by erosion, subsidence, submersion, earthquake or other calamity are considered. Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the ratepayer's legal obligation to pay rates.
- b) Where an application for rates due to land effected by natural calamity is received Council may remit all or part of the rates relating to a rating unit.
- c) The rating unit is unusable or uninhabitable as a result of a natural calamity.
- d) First application must be made by the ratepayer within 3 months of the event. Any remissions granted will apply to the current rating year.
- e) For properties that are unusable or uninhabitable as a result of a calamity, and are able to be restored (but have not yet been restored), remission applications for future years are required annually by 30 April prior to the commencement of the rating year for which remission is sought.
- f) For properties that are unable to be used now or in the future, or where access has been prohibited by WDC, rates remission will be granted for 3 years or until the restriction imposed by WDC has been removed.
- g) All applications must be in writing and supported by documentary evidence as to the extent of the damage.

- h) The amount of the remission is at the discretion of the CEO and will be considered on a case by case basis.
- i) In the event of the rating unit being permanently eroded and where the rating unit now forms part of the coastal marine area, the Council may grant permanent remission of all rates and penalties charged in the financial year in which the event occurred and the years following the event.
- j) In the ratepayers absence, Council staff may apply remissions in their absence on a permanent basis.

10. Remission of Rates for New Businesses

10.1. Objectives

- 10.1.1 To promote employment and economic development within the District by assisting new businesses.

10.2. Conditions and criteria

- a) Rates remission may be granted to a new business where that business supports community development and productivity and provides goods and services within the community.
- b) Remission of rates is available to commercial and/or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes.
- c) Residential developments will not qualify for remission.
- d) Remission of rates is available to new businesses or new development established within the past 12 months.
- e) Applications must be made in writing and supported by:
 - i. A description of the development
 - ii. A plan of the development (where possible)
 - iii. An estimate of costs
 - iv. An estimate of the likely number of jobs to be created
- f) In considering applications for the remission under this part of the policy the Council will have regard to the following:
 - i. The development is of importance for the future economic development of the District as demonstrated by the scale, type or nature of the development.
 - ii. The number of new employment opportunities the business/development will create. Generally, development would be expected to create a minimum of one new full time equivalent job.
 - iii. The amount of new capital investment the development/business will bring into the District.
 - iv. For avoidance of doubt a small new business with at least one employee would also be considered eligible.

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- v. The business demonstrates a long-term commitment to remain and operate in the District. Property ownership or a long-term lease of the property may be accepted as proof of commitment.
 - vi. The development protects or retains cultural aspects of the district e.g. maintains and protects a heritage building. The development adds improved, new and/or visibly attractive infrastructure or buildings to the District where it would be commercially otherwise unviable to do so.
- g) All applications will be assessed on a case by case basis under the authority of the Chief Executive and are subject to a threshold remission of 50% of rates assessed for a maximum duration of one year. The remission excludes services charges for water, sewerage and solid waste collection services.

SCHEDULE 1 | WAHANGA 1

1. Category A: Māori Freehold Land – Unoccupied and Unproductive Land Blocks

1.1. Objectives

1.1.1. The remission of rates on Māori freehold land pursuant to Section 108 and Schedule 11, LGA 2002, and in recognition of the Preamble and objectives of the Te Ture Whenua Māori Act, recognises that:

- a) There are situations where there is no occupier or person gaining economic or financial benefit from the use of, or habitation on the land.
- b) Some freehold Māori land might be better set-apart from development because of its natural features, significant vegetation and/or habitat, and cultural significance.
- c) Physical access to some Māori freehold land is not available or is not practicable.
- d) Takes into account the presence of waahi tapu that may limit the use of the land for other purposes.
- e) A remission of rates should apply to portions of land not occupied, where part of a block of land is occupied.
- f) Assessing rates against certain Māori freehold land might limit or restrict the development of an economic use of the land.
- g) Council should support the use of the land by owners for traditional purposes and the relationship of Māori and their culture and traditions with their ancestral lands.
- h) Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.

1.2. Conditions and criteria

In order for a property, or part of a property to qualify for a rates remission under this remission category, it must meet all of the required criteria and at least one of the optional criteria:

1.2.1. Required Criteria

A property must be:

- a) Māori freehold land as defined in the LGRA or land changed to general land under the Māori Affairs Amendment Act 1967; and
- b) Unoccupied and unproductive as defined in the 'Definitions'.

1.2.2. Optional Criteria

1.2.2.1. A property must be/have at least one of the following:

- a) The presence of waahi tapu that may affect the use of the land or other purposes;
- b) Better set aside and protected from use because of its special cultural significance and unique natural features;
- c) Better set aside and protected from use to protect the indigenous flora and fauna located on the land;
- d) A traditional and important food source for Tangata Whenua;

- e) A traditional and important source for cultural, medicinal, symbolic and spiritual needs of Tangata Whenua;
- f) Important tribal landmarks significant to Tangata Whenua;
- g) Important water catchment system to Tangata Whenua for sustaining physical and spiritual values;

1.2.2.2. Accessibility issues due to:

- i. The property being landlocked;
- ii. Access is legally available by paper road or easement but the road does not exist;
- iii. A road ends or passes the property but a river, ravine, cliff or other impediment prevents practical access;
- iv. In a natural and undeveloped state, and will continue to remain in such state;
- v. Prevented from being productive or used due to the size, location, lack of fencing or some other feature.

1.3. Dwellings on Māori freehold land

1.3.1. Where there is one or more dwelling/s on the land, Council may establish and identify separately used or inhabited parts of the rating unit. The separately used or inhabited portion of the rating unit will be defined based on the area occupied, and/or the area unproductive and unoccupied as identified by the owner/s and confirmed by Council.

1.3.2. Rates charged on the separately used or inhabited portion of the property will remain payable.

1.4. Beehives on Māori freehold land

1.4.1. Where there are beehives located on the land for the purposes of harvesting honey, Council may establish and identify separately used or inhabited parts of the rating unit. The separately used or inhabited portion of the rating unit will be defined based on the area in use for the purposes of harvesting honey, and/or the area unproductive and unoccupied as identified by the owner/s and confirmed by Council.

1.4.2. Rates charged on the separately used or inhabited portion of the property will remain payable.

1.5. Extent of remissions

1.5.1. Eligible Māori Freehold Land under Category A will receive 100% of all rates charged except targeted rates set for water supply, sewage disposal and solid waste collection services.

1.5.2. Where a separately used part of the property has been identified (as per section 1.3.1 and 1.3.2 above) the remission will relate to the unoccupied and unproductive portion of the property only. Council's Valuation Service Provider will assess the capital value of the unoccupied and unproductive portion and on this basis, a remission will be processed on all rates charged on the basis of capital value.

1.6. Applications on behalf of owners

1.6.1. Council staff may process applications on behalf of owners of unoccupied and unproductive Māori Freehold Land that satisfies the criteria set out in section 1.2. where after due enquiry the owners of an unoccupied block cannot be found.

- 1.6.2. Decisions on these remissions are to be made directly by the Chief Executive on the recommendation of officers and may include rate remissions for 3 years on qualifying Māori freehold land for current year rates and rates arrears, including penalties.

SCHEDULE 2 | WAHANGA 2

1. Category B: Māori Freehold Land – Economic Use and Development

1.1. Objectives

- 1.1.1. The remission of rates on Māori freehold land pursuant to Section 108 and Schedule 11, LGA 2002, section 114A of the LGRA, and in recognition of the Preamble and the objectives of the Te Ture Whenua Māori Act 1993, recognises that assessing rates against certain Māori Freehold Land might limit or restrict the development of an economic use of the land.
- 1.1.2. The objective for remission under this category is to help facilitate the occupation, development and utilisation of otherwise unoccupied or unproductive Māori freehold land, for the benefits of its owners, their whanau and their hapu, through a progressive stepped application of a full liability for the payment of rates, over an agreed period.

1.2. Conditions and criteria

- 1.2.1. Where there is an intention to make economic use of the land, or a clear intent to progressively develop the economic use of the land over time, Council may enter into a remission of rates arrangement with the Trustees/Owner(s) or Occupier(s) where the Council is satisfied such an arrangement will encourage economic use through development over time.
- 1.2.2. Council must be satisfied that the development is likely to have any or all of the following benefits:
- a) Benefits to the district by creating new employment opportunities
 - b) Benefits to the district by creating new homes
 - c) Benefits to the Council by increasing the Council's rating base in the long term
 - d) Benefits to the Māori of the district by providing support for Marae in the district
 - e) Benefits to the owners by facilitating the occupation, development, and utilisation of the land.
- 1.2.3. In addition to the information required under section 4.5 of this policy, applicants must also provide:
- a) A written plan setting out the planned economic use of the land or the planned economic development against a five year timeline prepared by a suitable person holding authority over the land and responsible for the planned use.
 - b) Any other documentation that the Council may require to make an assessment.

1.3. Extent of remissions

- 1.3.1. At Council's discretion during the annual review and/or with negotiations with the land owner/s or trustees, a staged rates requirement will be implemented with the following being taken into account:
- a) The expected duration of the development or any stage of the development; and
 - b) If the land is being developed for a commercial purpose, when the ratepayer or ratepayers are likely to generate income from the development; and
 - c) If the development involves the building of 1 or more dwellings, when the ratepayer or any other persons are likely to be able to reside in the dwellings.
- 1.3.2. Generally remissions will be applied according to the following schedule, however, each application will be considered on an individual basis:

File 1 - Page 175

Year 1	Not less than 20% payable for that year
Year 2	Not less than 40% payable for that year
Year 3	Not less than 60% payable for that year
Year 4	Not less than 80% payable for that year
Year 5	100% payable for that year.

1.3.3 No remission will be granted on Targeted Rates for water supply, sewage disposal, and solid waste collection services.

1.3.4 Where an approved remission under Category B is in place, any arrears may be remitted if current and future rates are met over a period of 2 years.



STATEMENT OF PROPOSAL

Review of Rates Remission Policy

Waitomo District Council

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PURPOSE

Waitomo District Council's (Council) vision is to be a vibrant District. Council policies support this vision and the community outcomes.

The purpose of the Rates Remission Policy (RRP) is to allow for rates remissions on eligible properties, including Māori freehold land.

The RRP provides for the remission of rates for the following remission categories:

- Remission of Rates for Properties used jointly as a single unit.
- Remissions for Community Organisations and Clubs and Societies.
- Remission for Organisations providing Care for the Elderly.
- Remission of Rates on Māori Freehold land.
- Remission of Penalties.
- Remission of Rates and/or penalties following a rating sale or an abandoned land sale.
- Remission of Rates for New Residential Subdivisions.
- Remission of Rates in Cases of Genuine Financial Hardship.
- Remission of Rates in Cases of Land Affected by Natural Calamity.
- Remission of Rates for New Businesses.

BACKGROUND

A local authority must have under section 109 of the Local Government Act 2002 (LGA 2002) a policy on the remission and postponement of rates on Māori freehold land.

In accordance with section 85 of the Local Government (Rating) Act 2002 (LGRA 2002) a local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:-

- a) The local authority has adopted a remissions policy under section 102 of the (LGA 2002), and

- b) The local authority is satisfied that the conditions and criteria in the policy are met.

The local authority must give notice to the ratepayer identifying the remitted rates.

REASON FOR PROPOSAL

With the implementation of the Local Government (Rating of Whenua Māori) Amendment Act 2021 (Amendment Act) several changes were made to the way that Māori land is rated.

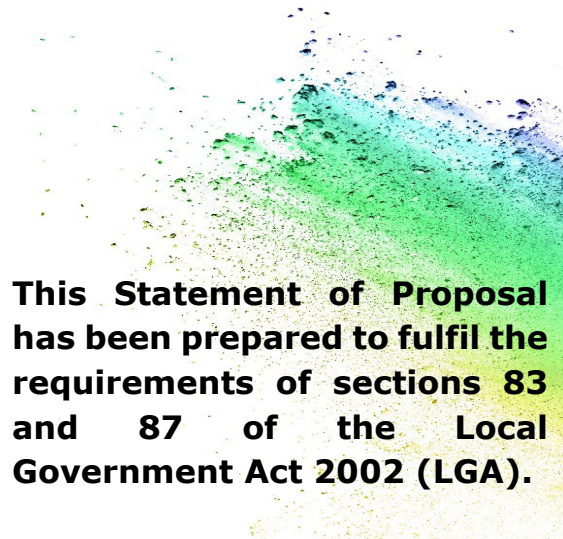
The purpose of the act is to broadly support owners of Māori freehold land to engage with, use, develop, and live on their land.

This review of the RRP has been completed outside of the normal triennial review due to the requirements Amendment Act, LGRA 2002 and LGA 2002.

Council wants your feedback on this policy.

Key dates

WHEN	WHAT
30 March 2022	Submissions open
03 May 2022	Submissions close
12 May 2022	Hearings (should people wish to speak to their submissions)
31 May 2022	Deliberations – Council discusses feedback from the community and changes are agreed to if appropriate
28 June 2022	Council adopts the final Policy



This Statement of Proposal has been prepared to fulfil the requirements of sections 83 and 87 of the Local Government Act 2002 (LGA).

WHAT WE ARE PROPOSING

To promote community wellbeing and to ensure fair and equitable collection of rates from all sectors of the community Council has adopted a Rates Remission Policy as required by the LGA 2002. Section 102 (3A) of the LGA prescribes that the RRP must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. In reviewing this policy Council has also considered the Preamble, as well as the purpose and core principles of the Te Ture Whenua Māori Act 1993.

Summary of Key changes

The following changes are proposed to align the Rates Remission Policy with the requirements of the Local Government (Rating of Whenua Māori) Amendment Act 2021, these impact the Māori freehold land remission categories.

Due to the requirement now under LGRA 2002 to write off rates that cannot be reasonably recovered, the Māori freehold land Occupied and Productive category is no longer required in the Rates Remission Policy. Rate arrears that are not recoverable from the previous occupiers, must now be written off under LGRA 2002. Any new lessee on the property will no longer need to apply for remission under this category.

The LGRA 2002 now requires all local authorities to consider remissions for Māori freehold land under development. Councils existing Rates Remission Policy already includes a remission category for Māori freehold land economic use and development. The policy has been further strengthened to reflect the benefits and matters to be considered under Section 114A of the LGRA and provide more flexibility when determining the proportion of rates remitted for Māori freehold land under development.

Draft

Waitomo District Council

Rates Remission Policy (Including
Remissions and Postponements of Rates on Māori
Freehold Land)

2022

First adopted	24 June 2008
Last Reviewed	29 June 2021
Review Date	June 2024
Associated documents	N/A
Responsibility	GM Business Support

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INTRODUCTION | KUPU ARATAKI

In accordance with section 85 of the Local Government (Rating) Act 2002 (LGRA).

- i. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
 - a) The local authority has adopted a remissions policy under section 102 of the Local Government Act (LGA), and
 - b) The local authority is satisfied that the conditions and criteria in the policy are met.

The local authority must give notice to the ratepayer identifying the remitted rates.

Section 102 (3A) of the LGA prescribes that the Rates Remission Policy must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. In preparing this policy Council has considered the Preamble, as well as the purpose and core principles of the Te Ture Whenua Māori Act 1993.

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

The purpose of the Rates Remission Policy (RRP) is to allow for rates remissions on eligible properties, including Māori freehold land.

The RRP provides for the remission of rates for the following remission categories:

- Remission of Rates for Properties used jointly as a single unit.
- Remissions for Community Organisations and Clubs and Societies.
- Remission for Organisations providing Care for the Elderly.
- Remission of Rates on Māori Freehold land.
- Remission of Penalties.
- Remission of Rates and/or penalties following a rating sale or an abandoned land sale.
- Remission of Rates for New Residential Subdivisions.
- Remission of Rates in Cases of Genuine Financial Hardship.
- Remission of Rates in Cases of Land Affected by Natural Calamity.
- Remission of Rates for New Businesses.

Land protected for conservation purposes is excluded from the Remission Policy as Council is of the view that the Local Government (Rating) Act 2002 provides adequately for this type of land.

Land that is subject to the following is considered to be non-rateable under Schedule 1 of the Local Government (Rating) Act 2002:

- Queen Elizabeth the Second (QEII) covenant.
- Nga Whenua Rahui Kawenata (from 1 July 2021).
- National Park under the National Parks Act 1980.
- Conservation area under the Conservation Act 1987.
- Reserve under the Reserves Act 1977.
- Wildlife management reserve, wildlife refuge, or wildlife sanctuary under the Wildlife Act 1953.
- Land owned by a society or association of persons that is used for conservation or preservation purposes, not used for private pecuniary profit and able to be accessed by the general public.

DELEGATION TO OPERATE, APPLICATION PROCESS AND REVIEW OF DECISIONS

The Chief Executive is delegated the authority to apply the Rates Remission Policy. Access to the rate remission arrangements is by way of application to the Council by the owner or occupier of the rating unit(s) or by staff who may process applications on behalf of owners of unoccupied and unproductive Māori freehold land.

In the event that any applicant for remission of rates, seeks a review of any decision taken under delegation, the following process shall be followed:

- a) Any application for review shall be made in writing, on the prescribed form, outlining the reasons for seeking a review and including appropriate documentation in support.

Note: Additional information may be requested to allow a better understanding of the merits and background of the application.
- b) The application will be investigated and the application together with a report and recommendation thereon will be submitted to a meeting of the Council for its consideration and decision.
- c) The decision of the Council will be final, and the applicant will be notified of the decision within 10 working days of the decision being made.
- d) A schedule of all remissions processed will be maintained and advised annually to the Audit Risk and Finance Committee.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Hapu	Whanau groups descended from their own hereditary ancestor.
Indigenous flora and fauna	Plants and animals originating from New Zealand.
Land used for farming purposes	Land used for 'pasturage'; being, the business of feeding or grazing livestock.
Māori customary land	Land held under the customs and usages of the Māori people, the title to which has not been investigated by the Māori Land Court.
Māori freehold land	Māori freehold land is defined in Section 5 of the LGRA as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Māori freehold land is liable for rates in the same manner as if it were general land, subject to the provisions of Part 4 of the LGRA.
Ratepayer	Is the person or persons identified in our rating information database as the person liable for rates – generally that person is the owner of the rating unit.
Remission	Means the requirement to pay the rate for a particular financial year is forgiven in whole or in part in accordance with this policy.
Tangata Whenua	Māori people of a particular area or as a whole as the original inhabitants of New Zealand. Māori people of the land in their tribal area.
Taonga tuku iho	Legacy, treasure.

Unoccupied or unproductive Land	Land will be defined as unoccupied or unproductive unless there is a person, whether with a beneficial interest in the land or not, who, alone or with others, carries out any of the following activities on the land: (a) Leases the land; and/or (b) Does any of the following things on the land, with the intention of making a profit or for any other benefit: <ol style="list-style-type: none">1. Resides on the land;2. De-pastures or maintains livestock on the land;3. Stores anything on the land;4. Beehives are located on the land; or5. Uses the land in any other way.
Waahi tapu	Means land set apart under Section 338(1) (b) of the Te Ture Whenua Māori Act 1993 (a place of special significance according to tikanga Māori).
Whanau	Extended family in which a person is born and socialised.

POLICY | KAUPAPA HERE

Council may provide rates remission on eligible properties that meet the conditions and criteria specified under each remission category.

REMISSION CATEGORIES

Remission of Rates for Properties Used Jointly as a Single Unit

Objectives

- 1.1.1 This remission category addresses land ownership and land use situations that fall outside the limitation defined by Section 20 of the LGRA.
- 1.1.2 Objectives of this policy are:
 - a) To extend the definitions of ownership and contiguous land as contained in Section 20 (a) and (c) of the LGRA.
 - b) To assist the use of rateable land as part of a farming operation where not all the rateable land is contiguous with land owned, or occupied under long term lease, by the same person or persons but is nevertheless used jointly as a single farming unit. The intention being to ensure that the use of such rateable land for farming purposes is not disadvantaged by the obligation to pay multiple UAGCs and other Targeted uniform annual charges – (i.e. all rates other than those charged on the basis of capital value).
 - c) To assist ongoing rural economic development by removing a UAGC and Targeted uniform annual charge liability that might create a cost barrier to the efficient integration of non-contiguous land into one farming operation.
 - d) To assist in the utilisation of unoccupied, undeveloped land in township areas to achieve:
 - i. Good land management,
 - ii. An improvement to visual amenity values,
 - iii. Better environmental outcomes through assisting in weed and pest management,
 - iv. Reduction of risk of fire hazard and to public health.

- 1.1.3 By enabling contiguous or non-contiguous vacant sections that are owned or occupied under long term lease by the same person or persons and used jointly as a single unit that might otherwise be unfairly disadvantaged by way of the obligation to pay multiple UAGCs and other Targeted uniform annual charges.

Conditions and criteria

1.1.1. Rateable Land used for Farming Purposes

Eligible farming properties are those where:

- a) The applicant is the owner or can demonstrate a long term interest in two or more separately rateable rural farm properties and that two or more of those properties are used for farming purposes; and
- b) The properties are used jointly as a single farm property for the purpose of carrying out a farming operation; and
- c) The property for which the remission is sought does not carry sufficient improvements to allow it to be operated as a separate farming unit; and
- d) The land for which the remission is sought is not occupied by a habitable dwelling.

1.1.2. Rateable land located within Waitomo District townships

Eligible properties within townships are those where:

- a) The applicant is the owner or holds a written long term interest in two or more separately rateable properties that may or may not be contiguous; and
- b) The properties are used jointly as a single property; and
- c) The property for which the remission is sought does not carry improvements exceeding \$1,000 in value and is not occupied by a dwelling.
- d) The property for which the remission is sought must be maintained in good order and repair as ascertained by the Council.

Application for remission of rates on properties used jointly as a single unit must be made on a 3 yearly basis to ensure continued eligibility for remission. Applicants are required to apply prior to the commencement of the rating year and no later than 30 April. It is the responsibility of the owner or person holding a long term interest in the property to notify Council of any change in circumstance in the interim period.

1.1.3. Extent of remission

For eligible properties that may be treated as a single rating unit by meeting the conditions and criteria in this category, Council may remit the UAGC(s) and other targeted uniform annual charges. For the avoidance of any doubt, the number of rates charged on the basis of SUIP will equal the number of SUIPs; and there will be one charge for each targeted fixed annual rate based on rating unit.

Remissions for Community Organisations and Clubs and Societies

Objectives

- 2.1.1 This remission category provides rates remission to eligible 'not for profit' community organisations and recreational clubs and societies in the Waitomo District that meet the conditions and criteria of this category.

2.1.2 Objectives of this policy are:

- a) To recognise the value of encouraging participation in active and passive recreation.
- b) To extend the arrangement provided for in the LGRA (for arts and heritage groups on Council land), to similar arts and heritage groups on private land.
- c) To recognise the value of community organisations in the District by providing rates remission including but not limited to those 'not for profit' organisations which exist primarily for the provision of emergency services, community halls, museums, art galleries, marae, churches and pre-schools.
- d) To support the development of arts and culture in the Waitomo District.
- e) To support the development of sport and physical recreation in the Waitomo District by providing rates remission for private clubs at the same level as those clubs located on and having long term tenure over Council owned land which is non-rateable under Schedule 1, Part 1 (4) of the LGRA.

Conditions and criteria

2.2.1 To be eligible for this remission the following criteria must be satisfied:

- a) The land must be used exclusively or principally for sporting, recreation, or community purposes,
- b) Organisations must be 'not for profit' and/or for charitable purposes.

2.2.2 Organisations who exist for private pecuniary profit or engage in recreational, sporting or community services as a secondary purpose are not eligible.

2.2.3 Council retains discretion as to whether to grant a remission in any particular case.

Extent of remissions

2.3.1 Eligible organisations will receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services.

2.3.2 For avoidance of doubt - any rating unit with sewerage pan charges over and above the sewerage base charge will receive 100% remission of the pan charges.

2.3.3 Any eligible rating unit that is within 30 metres of the sewerage network and/or 100 metres from the water network, but is not connected, will have the serviceability rate/s remitted.

2.3.4 Any organisation opting for a private solid waste collection arrangement will not pay the solid waste collection rate and would not receive a collection service.

Applications

2.4.1 Organisations that have not previously received a remission must complete an application form for rates remission. Applications must be received by Council by 30 April.

2.4.2 For organisations that have previously received rates remission, an application form needs to be completed by the organisation every 3 years to confirm that the land-use remains eligible for remissions for the subsequent 3 years. Applications must be received by Council by 30 April, prior to the commencement of the rating year.

2.4.3 A completed application MUST be received before a rates remission can be considered. It is the responsibility of the applicant to notify Council of any change in circumstance in the interim period between applications.

2.4.4 Organisations making application should include the following in support of their application:

- a) Statement of objectives
 - b) Full financial accounts
 - c) Information of activities and programmes
 - d) Details of membership
- 2.4.5 Organisations making application should ensure that the application provides sufficient information to demonstrate that:
- a) Their activities benefit or are available to the entire community
 - b) They are currently operative
 - c) They are 'not for profit' and/or for charitable purposes
 - d) The land for which they are seeking remission is exclusively or principally for sporting, recreation, or community purposes.

Remission for Organisations Providing Care for the Elderly

Objectives

- 3.1.1 This remission category provides remission for eligible community based organisations that provide care for the Elderly when they meet the specified conditions and criteria for this category.
- 3.1.2 Council wishes to support community-based organisations that provide much needed facilities and services for the Elderly within the Waitomo District. The intent is to recognise and assist those organisations that provide specialised care for the Elderly who, in the absence of such services, may need to relocate outside of the Waitomo District, away from family and friends.
- 3.1.3 Objectives of this policy are:
- a) To support those organisations that provide facilities and services that care for and enable the Elderly to reside in the Waitomo District.
 - b) To support Council's commitment for Waitomo to be a district which values its older people, promotes their meaningful contribution to the community, and facilitates a positive ageing experience for all.
 - c) To recognise the ageing population of New Zealand and this District, Council aims to facilitate and support the provision of a range of accessible, safe and affordable housing for the elderly.

Conditions and criteria

- 3.2.1 This remission arrangement is available on application on a 3 yearly basis by qualifying organisations which:
- a) Are charitable organisation(s). Charitable organisations are organisations (incorporated or not) that carry out charitable activities or exist exclusively for charitable purposes. For an organisation's purposes to be charitable its activities or aims must be for public purposes - the benefit must be available to a large part of the community. In addition, it must not be carried on for the benefit or profit of any individual or group; and
 - b) Provide Rest Home level of care to the Elderly. Rest Home level of care is defined as the provision of 'everyday living assistance' to the Elderly who are fully dependent on other people to assist them with everyday life (e.g. to cook, clean, shower, etc); and/or

- c) Provide Hospital Level Care for the Elderly. Hospital level care is defined as provision of palliative care type facilities, the ability to prescribe medicines as per national health standards and have the requisite number of trained nurses as per national and DHB health standards.

3.2.2 It is the responsibility of the Organisation to notify Council of any change in circumstance in the interim period between applications.

3.2.3 Extent of remission

3.2.4 Organisations that demonstrate compliance with the criteria will receive a rates remission of 100% of assessed rates EXCLUDING service charges set for Water, Sewerage and Solid Waste Collection. Any organisation opting for a private Solid Waste Collection arrangement will not pay the Solid Waste Collection Rate and would not receive a Collection Service.

Piopio Retirement Trust Board

- a) In recognition of the unique situation that exists with the Piopio Retirement Village and of the invaluable role it plays within the Piopio community, both now and for in the future, an annual rate remission is available as detailed below.
- b) A single pumped tank is located at the low point near the entrance to the Village, including connection to the main sewer.
- c) The Piopio Retirement Village will receive an annual rates remission of nine service charges for Sewerage and 50% of nine service charges for Solid Waste Collection, Solid Waste Management and Water.
- d) Every three years a declaration is required from the Piopio Retirement Village confirming that the status of the Trust has not changed. It is the responsibility of the Trust to advise Council of any change in circumstance in the interim period between declarations.
- e) Council retains the right to review and/or withdraw its support to the Piopio Retirement Village at any time should circumstances change.
- f) The annual remission for the Piopio Retirement Village will form part of Council's total annual rates remission budget and it will be separately funded by way of a Targeted Uniform Annual Charge (TUAC) levied on all rateable units situated within the Piopio Township and the Piopio Wider Benefit Rating Areas.

Remission of Rates on Māori Freehold Land

Objectives

- 4.1.1 This policy is prepared pursuant to Sections 102 and 108 of the LGA and Section 114 of the LGRA. In preparing this policy Council has considered the matters set out in Schedule 11 of the LGA as well as the Preamble, purpose and core principles of the Te Ture Whenua Māori Act 1993.
- 4.1.2 Māori freehold land is defined in the LGRA (Section 5) as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Māori Freehold Land is liable for rates in the same manner as if it were general land, subject to the provisions of Part 4 of the LGRA.
- 4.1.3 Other than Māori freehold land that may from time to time be exempted by an Order in Council (as provided for in Section 116 LGRA), this policy does not provide for permanent remission or postponement of rates on all other Māori freehold land recognising the potential for changes in circumstance and land use.
- 4.1.4 The objectives of this policy are to:

- a) Support the use of the land by the owners for traditional purposes
- b) Recognise and support the relationship of Māori and their culture and traditions with their ancestral land
- c) Avoid further alienation of Māori freehold land
- d) Support the owners to develop or convert unproductive and unoccupied land for economic use
- e) Ensure the fair and equitable collection of rates from all sectors of the community, recognising that certain Māori owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.

4.1.5 For the purposes of this policy, rates are deemed to include penalties.

Land changed under the Māori Affairs Amendment Act 1967

4.2.1 The Māori Affairs Amendment Act 1967 introduced compulsory conversion of Māori freehold land with four or fewer owners into general land. There was strong opposition to this Act, which resulted in the legislation being repealed in 1974. Since that time many of the properties have remained general land on the title, however the substance of the land is Māori freehold land and in every practical sense the land changed under the repealed Act should be treated as such.

4.2.2 Accordingly, all land that was changed to general land as part of the Māori Affairs Amendment Act 1967 is considered to be Māori freehold land for the purposes of this remission policy and owners of such land may apply for all 3 categories of remission.

Remission categories

4.3.1 This policy provides two categories of remission:

Category A: Māori Freehold Land – Unoccupied and Unproductive Land Blocks
(Category B: Māori Freehold Land – Economic Use and Development)

Māori freehold land register

4.4.1 Council will maintain a register titled the Māori Freehold Land Rates Remission Register for the purpose of recording the rating units for which rates are remitted pursuant to this Policy. The Register will comprise of two category lists, these being:

Category A: The 'Māori Freehold Land Unoccupied and Unproductive Remissions List', used to achieve objectives detailed in schedule 1

Category B: The 'Māori Freehold Land Economic Use and Development Remissions List' used to achieve objectives detailed in schedule 2

Applications

4.5.1 Applications for all categories must be made on the prescribed form and must be received by Council prior to the commencement of the rating year and no later than 30 April.

4.5.2 The application must be supported by sufficient supporting information to allow an informed decision to be made in respect of the application, including but not limited to the following:

- a) Evidence that the identified owner, agent of owner or occupier has full control over the property.
- b) A copy of any agreements or licenses to operate on the land.

- c) A description of the intended use of the land, and a statement as to how the objectives defined under this policy will be achieved by the granting of rates remission.
- d) Other documentation that Council may require to make a decision, such as historical, ancestral, cultural, archaeological, geographical or topographical information.

Duration

- 4.6.1 Remission applications approved under Category A (Māori Freehold Land Unoccupied and Unproductive Land Blocks) will receive remission for three years. A reapplication will be required triennially.
- 4.6.2 The duration of remission applications approved under Category B (Economic Use and Development) are detailed in Schedule 2 of this policy.
- 4.6.3 Where a remission of rates is made, the obligation is on the applicant to advise any change of use that might affect the eligibility of the land for any remission.
- 4.6.4 Council will monitor on an ongoing basis the use of any Māori freehold land receiving rate remission under this policy. If the status of the land changes, in that it no longer complies with the criteria, rates will be payable from the following rating year.

Note – Council will require that any rates remissions be repaid where the failure to notify Council of a change in circumstance impacts on the eligibility of the land for a rate remission.

Appeals

- 4.7.1 Appeals relating to decisions taken on the eligibility of Māori freehold land for rates remissions will follow the process outlined at the start of this Policy - Delegation to Operate, Application Process and Review of Decisions.

Payment arrangement

- 4.8.1 Where Māori Freehold land is not otherwise eligible for a remission under any section of this policy, Council may negotiate with the landowner to write off all arrears and penalties if current rates are met over a period of 2 years.

Remission of Penalties

Objectives

- i. This remission category outlines the remission of penalties incurred by way of late or non-payment of rates, in accordance with Section 85 of the LGRA. Penalties are incurred for late or non-payment of rates in accordance with the amount set annually in Council's Funding Impact Statement.
- ii. The objective is to enable Council to act fairly and reasonably in its consideration of overdue rates in certain circumstances.

Conditions and criteria

- 5.2.1 Remissions for late or non-payment of rates will be considered on the following grounds:

Circumstance	Policy and Criteria	Delegation
Extenuating circumstances	Remission of a penalty incurred on an instalment will be considered in the following circumstances: <ul style="list-style-type: none"> • The ratepayer has a good payment history. • Extenuating personal circumstances such as family illness, death or other tragedy. 	Manager - Customer Services or General Manager – Community services

Circumstance	Policy and Criteria	Delegation										
	<ul style="list-style-type: none"> In circumstances considered just and equitable. 											
<p>Approved Payment Arrangement (Includes time to pay arrangements and lump sum arrangements)</p>	<p>Penalties will not be levied where an Approved Payment Arrangement of a minimum amount has been made based on the arrears total as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="text-align: left;">Arrears total</th> <th style="text-align: left;">Minimum amount</th> </tr> </thead> <tbody> <tr> <td>0 - \$5,000</td> <td>Payment Arrangement of 1.25 times the Annual Rates</td> </tr> <tr> <td>\$5,001 - \$10,000</td> <td>Payment Arrangement of 1.5 times the Annual Rates</td> </tr> <tr> <td>\$10,001 - \$20,000</td> <td>Payment Arrangement of 2 times the Annual Rates</td> </tr> <tr> <td>Over \$20,000</td> <td>A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates</td> </tr> </tbody> </table>	Arrears total	Minimum amount	0 - \$5,000	Payment Arrangement of 1.25 times the Annual Rates	\$5,001 - \$10,000	Payment Arrangement of 1.5 times the Annual Rates	\$10,001 - \$20,000	Payment Arrangement of 2 times the Annual Rates	Over \$20,000	A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates	<p>Sub-Committee (CEO and General Manager -Business Support)</p>
Arrears total	Minimum amount											
0 - \$5,000	Payment Arrangement of 1.25 times the Annual Rates											
\$5,001 - \$10,000	Payment Arrangement of 1.5 times the Annual Rates											
\$10,001 - \$20,000	Payment Arrangement of 2 times the Annual Rates											
Over \$20,000	A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates											
	<p>Current and historic penalties will be remitted where all rates have been paid in full under an approved payment arrangement.</p> <p>Council will consider remitting penalties that are already levied or yet to be incurred for remissions on a case by case basis.</p>	<p>Sub-Committee (CEO and General Manager - Business Support)</p>										
<p>Penalties associated with remissions</p>	<p>Penalties will not be levied where all or a portion of the rates assessed have been remitted under another part of the policy.</p>	<p>Sub-Committee (CEO and General Manager - Business Support)</p>										

- 5.2.2 Penalties will only be remitted on written application of the ratepayer and provided that no previous penalties have been remitted within the past two rating years. In the case of penalties as a result of Council error, these are considered a correction rather than a remission and therefore fall outside of the remission policy.
- 5.2.3 To be eligible for these remissions, ratepayers must use direct debit payment, unless there are exceptional circumstances preventing this.
- 5.2.4 All penalties remitted shall be recorded in the Penalty Remission Register, where the amount remitted is over \$10 for any individual ratepayer.

Remission of Rates and/or Penalties Following a Rating Sale or Abandoned Land Sale

Objectives

- 6.1.1 This remission category provides for rates remission of rates arrears and penalties where a rating unit comes under new ownership as the consequence of either a rating sale or lease under sections 67 through to section 76 or sale of abandoned land as per sections 77 through to 83 of the LGRA.
- 6.1.2 The objective of this remission category is to allow for any remaining arrears or penalties following sale of abandoned land, or rating sale or lease, to be remitted so that the new owner begins with a nil balance.

Conditions and criteria

- 6.2.1 Any debt outstanding on a rating unit after application of proceeds from a rating sale or lease may be remitted following application by Council Staff.
- 6.2.2 Any debt outstanding on a rating unit after application of proceeds from the sale of abandoned land may be remitted following application by Council Staff.
- 6.2.3 Where any rating unit meets the definition of abandoned land as prescribed in section 77(1) of the LGRA and that land is unable to be sold using the authority provided to Council in sections 77-83 of the LGRA, then all rates may be remitted on an annual basis by application of Council staff.

Remission of Rates for New Residential Subdivisions

Objectives

- 7.1.1 This remission category provides for remission of rates to assist the establishment of new residential subdivisions by providing temporary rates relief from UAGCs assessed against individual vacant lots prior to sale. This remission category provides for the remission of UAGCs for the first full year following subdivision for residential use of 3 vacant lots or more. In that situation multiple lots will be treated as one rating unit. Application of remissions for one full rating year following subdivision provides incentive to sell as intended, but recognises that a full year may be required to achieve the developer's aim.
- 7.1.2 Objectives of this policy are:
 - a) To provide a one-off remission of rates assessed against land held in separate title and forming part of a new residential subdivision so as to limit the impact of multiple UAGCs in the first year.
 - b) To encourage development within Waitomo District by providing a one off remission to the subdivider or developer of any UAGC assessed against the newly created lot(s).

Conditions and criteria

- 7.2.1 The remission will be available for land that:
 - a) Has been subdivided into 3 or more vacant residential lots where the Titles have been issued; and
 - b) The unsold lots remain in the ownership of the original subdivider/developer and the land has yet to be sold on to subsequent purchasers.

Extent of Remission

- 7.3.1 A remission will be made for 100% of the UAGC for each unsold vacant residential lot, except one.
- 7.3.2 The remission will only be made for the first full rating year following the creation of the new residential lots following subdivision.

Remission of Rates for Cases of Financial Hardship

Objectives

- 8.1.1 The objective of this policy is to provide relief for residential ratepayers and 'not for profit' community organisations experiencing extreme financial hardship.

Applications

- 8.2.1 Where an application for rates relief due to financial hardship is received, Council may remit all or part of rates relating to a rating unit.
- 8.2.2 Applications on the grounds of financial hardship are considered only when exceptional financial circumstances exist. Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the ratepayer's legal obligation to pay rates.
- 8.2.3 An application for remission on the grounds of financial hardship can be lodged in any year that such hardship exists.
- 8.2.4 Council will consider, on a case by case basis, applications received that meet the criteria detailed in section 8.3 and 8.4 of this policy.
- 8.2.5 The Chief Executive is delegated authority to decline an application or remit rates, including arrears, of up to \$2,000 in any one case.
- 8.2.6 The Chief Executive will provide Council with a regular monitoring report on all applications received for a hardship rates remission, and the decisions made.

Residential rating units

8.3.1 Conditions and criteria

Council will consider, on a case by case basis, applications received that meet the following criteria:

- a) Preference will be given to rating units used solely for residential purposes (as defined by Council) when consideration is made for rates remission in cases of financial hardship.
- b) A ratepayer making an application must be the registered owner and occupier.
- c) A ratepayer making an application must not own any other rating units or investment properties (whether in the district or in another district).
- d) The ratepayer must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- e) When considering an application, the ratepayer's personal circumstances will be relevant such as age, physical or mental ability, injury, illness and family circumstances.
- f) Before approving an application, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after making the payment of rates, for normal health care, proper provision for maintenance of his or her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- g) The applicant must provide sufficient evidence on how they plan to meet their rating commitment going forward.
- h) It is expected that the ratepayer will pay a minimum of the value of the Uniform Annual General Charge per annum towards his/her rates account. However, each case will be considered on its merits.
- i) If the applicant is eligible for a Rates Rebate then such application must be made at the time of applying for rates relief due to financial hardship.

Not for profit community organisations

8.4.1 Conditions and criteria

Council will consider, on a case by case basis, applications received that meet the following criteria:

- a) The organisation must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- b) The organisation must provide sufficient evidence on how it plans to meet their rating commitment going forward.
- c) An application for remission on the grounds of financial hardship must be lodged annually. The remission is only available for a maximum of two years.
- d) Remission is not available for service charges relating to water, sewerage and solid waste collection.

Remission of Rates in Cases of Land Affected by Natural Calamity

Objectives

The objective of this policy is to assist ratepayers affected by events outside of their control which effects their ability to use any rating unit owned by them that is the consequence of a natural calamity.

Conditions and criteria

- a) Rates remission is available for properties that have been detrimentally affected by erosion, subsidence, submersion, earthquake or other calamity are considered. Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the ratepayer's legal obligation to pay rates.
- b) Where an application for rates due to land effected by natural calamity is received Council may remit all or part of the rates relating to a rating unit.
- c) The rating unit is unusable or uninhabitable as a result of a natural calamity.
- d) First application must be made by the ratepayer within 3 months of the event. Any remissions granted will apply to the current rating year.
- e) For properties that are unusable or uninhabitable as a result of a calamity, and are able to be restored (but have not yet been restored), remission applications for future years are required annually by 30 April prior to the commencement of the rating year for which remission is sought.
- f) For properties that are unable to be used now or in the future, or where access has been prohibited by WDC, rates remission will be granted for 3 years or until the restriction imposed by WDC has been removed.
- g) All applications must be in writing and supported by documentary evidence as to the extent of the damage.
- h) The amount of the remission is at the discretion of the CEO and will be considered on a case by case basis.
- i) In the event of the rating unit being permanently eroded and where the rating unit now forms part of the coastal marine area, the Council may grant permanent remission of all rates and penalties charged in the financial year in which the event occurred and the years following the event.

- j) In the ratepayers absence, Council staff may apply remissions in their absence on a permanent basis.

Remission of Rates for New Businesses

Objectives

10.1.1 To promote employment and economic development within the District by assisting new businesses.

Conditions and criteria

- a) Rates remission may be granted to a new business where that business supports community development and productivity and provides goods and services within the community.
- b) Remission of rates is available to commercial and/or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes.
- c) Residential developments will not qualify for remission.
- d) Remission of rates is available to new businesses or new development established within the past 12 months.
- e) Applications must be made in writing and supported by:
 - i. A description of the development
 - ii. A plan of the development (where possible)
 - iii. An estimate of costs
 - iv. An estimate of the likely number of jobs to be created
- f) In considering applications for the remission under this part of the policy the Council will have regard to the following:
 - i. The development is of importance for the future economic development of the District as demonstrated by the scale, type or nature of the development.
 - ii. The number of new employment opportunities the business/development will create. Generally, development would be expected to create a minimum of one new full time equivalent job.
 - iii. The amount of new capital investment the development/business will bring into the District.
 - iv. For avoidance of doubt a small new business with at least one employee would also be considered eligible.
 - v. The business demonstrates a long-term commitment to remain and operate in the District. Property ownership or a long-term lease of the property may be accepted as proof of commitment.
 - vi. The development protects or retains cultural aspects of the district e.g. maintains and protects a heritage building. The development adds improved, new and/or visibly attractive infrastructure or buildings to the District where it would be commercially otherwise unviable to do so.

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- g) All applications will be assessed on a case by case basis under the authority of the Chief Executive and are subject to a threshold remission of 50% of rates assessed for a maximum duration of one year. The remission excludes services charges for water, sewerage and solid waste collection services.

SCHEDULE 1 | WAHANGA 1

1. Category A: Māori Freehold Land – Unoccupied and Unproductive Land Blocks

1.1. Objectives

1.1.1. The remission of rates on Māori freehold land pursuant to Section 108 and Schedule 11, LGA 2002, and in recognition of the Preamble and objectives of the Te Ture Whenua Māori Act, recognises that:

- a) There are situations where there is no occupier or person gaining economic or financial benefit from the use of, or habitation on the land.
- b) Some freehold Māori land might be better set-apart from development because of its natural features, significant vegetation and/or habitat, and cultural significance.
- c) Physical access to some Māori freehold land is not available or is not practicable.
- d) Takes into account the presence of waahi tapu that may limit the use of the land for other purposes.
- e) A remission of rates should apply to portions of land not occupied, where part of a block of land is occupied.
- f) Assessing rates against certain Māori freehold land might limit or restrict the development of an economic use of the land.
- g) Council should support the use of the land by owners for traditional purposes and the relationship of Māori and their culture and traditions with their ancestral lands.
- h) Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.

1.2. Conditions and criteria

In order for a property, or part of a property to qualify for a rates remission under this remission category, it must meet all of the required criteria and at least one of the optional criteria:

1.2.1. Required Criteria

A property must be:

- a) Māori freehold land as defined in the LGRA or land changed to general land under the Māori Affairs Amendment Act 1967; and
- b) Unoccupied and unproductive as defined in the 'Definitions'.

1.2.2. Optional Criteria

1.2.2.1. A property must be/have at least one of the following:

- a) The presence of waahi tapu that may affect the use of the land or other purposes;
- b) Better set aside and protected from use because of its special cultural significance and unique natural features;
- c) Better set aside and protected from use to protect the indigenous flora and fauna located on the land;

- d) A traditional and important food source for Tangata Whenua;
- e) A traditional and important source for cultural, medicinal, symbolic and spiritual needs of Tangata Whenua;
- f) Important tribal landmarks significant to Tangata Whenua;
- g) Important water catchment system to Tangata Whenua for sustaining physical and spiritual values;

1.2.2.2. Accessibility issues due to:

- i. The property being landlocked;
- ii. Access is legally available by paper road or easement but the road does not exist;
- iii. A road ends or passes the property but a river, ravine, cliff or other impediment prevents practical access;
- iv. In a natural and undeveloped state, and will continue to remain in such state;
- v. Prevented from being productive or used due to the size, location, lack of fencing or some other feature.

1.3. Dwellings on Māori freehold land

1.3.1. Where there is one or more dwelling/s on the land, Council may establish and identify separately used or inhabited parts of the rating unit. The separately used or inhabited portion of the rating unit will be defined based on the area occupied, and/or the area unproductive and unoccupied as identified by the owner/s and confirmed by Council.

1.3.2. Rates charged on the separately used or inhabited portion of the property will remain payable.

1.4. Beehives on Māori freehold land

1.4.1. Where there are beehives located on the land for the purposes of harvesting honey, Council may establish and identify separately used or inhabited parts of the rating unit. The separately used or inhabited portion of the rating unit will be defined based on the area in use for the purposes of harvesting honey, and/or the area unproductive and unoccupied as identified by the owner/s and confirmed by Council.

1.4.2. Rates charged on the separately used or inhabited portion of the property will remain payable.

1.5. Extent of remissions

1.5.1. Eligible Māori Freehold Land under Category A will receive 100% of all rates charged except targeted rates set for water supply, sewage disposal and solid waste collection services.

1.5.2. Where a separately used part of the property has been identified (as per section 1.3.1 and 1.3.2 above) the remission will relate to the unoccupied and unproductive portion of the property only. Council's Valuation Service Provider will assess the capital value of the unoccupied and unproductive portion and on this basis, a remission will be processed on any rates charged on the basis of capital value.

1.6. Applications on behalf of owners

- 1.6.1. Council staff may process applications on behalf of owners of unoccupied and unproductive Māori Freehold Land that satisfies the criteria set out in section 1.2. where after due enquiry the owners of an unoccupied block cannot be found.
- 1.6.2. Decisions on these remissions are to be made directly by the Chief Executive on the recommendation of officers and may include rate remissions for 3 years on qualifying Māori freehold land for current year rates and rates arrears, including penalties.

SCHEDULE 2 | WAHANGA 2

1. Category B: Māori Freehold Land – Economic Use and Development

1.1. Objectives

- 1.1.1. The remission of rates on Māori freehold land pursuant to Section 108 and Schedule 11, LGA 2002, section 114A of the LGRA, and in recognition of the Preamble and the objectives of the Te Ture Whenua Māori Act 1993, recognises that assessing rates against certain Māori Freehold Land might limit or restrict the development of an economic use of the land.
- 1.1.2. The objective for remission under this category is to help facilitate the occupation, development and utilisation of otherwise unoccupied or unproductive Māori freehold land, for the benefits of its owners, their whanau and their hapu, through a progressive stepped application of a full liability for the payment of rates, over an agreed period.

1.2. Conditions and criteria

- 1.2.1. Where there is an intention to make economic use of the land, or a clear intent to progressively develop the economic use of the land over time, Council may enter into a remission of rates arrangement with the Trustees/Owner(s) or Occupier(s) where the Council is satisfied such an arrangement will encourage economic use through development over time.
- 1.2.2. Council must be satisfied that the development is likely to have any or all of the following benefits:
- a) Benefits to the district by creating new employment opportunities
 - b) Benefits to the district by creating new homes
 - c) Benefits to the Council by increasing the Council's rating base in the long term
 - d) Benefits to the Māori of the district by providing support for Marae in the district
 - e) Benefits to the owners by facilitating the occupation, development, and utilisation of the land.
- 1.2.3. In addition to the information required under section 4.5 of this policy, applicants must also provide:
- a) A written plan setting out the planned economic use of the land or the planned economic development against a five year timeline prepared by a suitable person holding authority over the land and responsible for the planned use.
 - b) Any other documentation that the Council may require to make an assessment.

1.3. Extent of remissions

- 1.3.1. At Council's discretion during the annual review and/or with negotiations with the land owner/s or trustees, a staged rates requirement will be implemented with the following being taken into account:
- a) The expected duration of the development or any stage of the development; and
 - b) If the land is being developed for a commercial purpose, when the ratepayer or ratepayers are likely to generate income from the development; and
 - c) If the development involves the building of 1 or more dwellings, when the ratepayer or any other persons are likely to be able to reside in the dwellings.
- 1.3.2. Generally remissions will be applied according to the following schedule, however, each application will be considered on an individual basis:

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Year 1	Not less than 20% payable for that year
Year 2	Not less than 40% payable for that year
Year 3	Not less than 60% payable for that year
Year 4	Not less than 80% payable for that year
Year 5	100% payable for that year.

- 1.3.3 No remission will be granted on Targeted Rates for water supply, sewage disposal, and solid waste collection services.
- 1.3.4 Where an approved remission under Category B is in place, any arrears may be remitted if current and future rates are met over a period of 2 years.

Submission Form

Draft Rates Remission Policy 2022

Submissions close at 5.00pm in Tuesday 3 May 2022

You can share your views by:

- Completing this Submission Form and returning it to us by:
 - Visiting our office on Queen Street, Te Kuiti
 - Emailing it to: haveyoursay@waitomo.govt.nz (scan and pdf or take a photo)
 - Posting to: FREEPOST 112498, Waitomo District Council, PO Box 404, Te Kuiti 3941
- Visiting our website: waitomo.govt.nz/consultation and complete an online Submission Form

Full Name:	
Organisation: <i>(if responding on behalf of)</i>	
Phone: <i>(home/mobile)</i>	
Address:	
Postcode:	
Email:	

The Local Government Act 2002 requires submissions to be made available to the public. Your name and/or organisation will be published with your submission and made available in a report to elected members and to the public. Other personal information supplied (such as address / email address) will be removed from the public copy.

I wish to speak to Council about my submission.

(Hearings are scheduled for 12 May 2022. We will contact you to arrange a time.)

Yes No

YOUR FEEDBACK

Please give us your feedback on the Draft Rates Remission Policy 2022

Document No: A606551

Report To: Council



Meeting Date: 29 March 2022

Subject: **2022/23 Draft Annual Plan – Significance of Variations**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present to Council information on the materiality and significance of variations contained within the Draft Annual Plan (dAP) for 2022/23.

Background

- 2.1 Waitomo District Council is currently going through the development of the dAP 2022/23, which is year two of the three year cycle of the Ten Year Plan (10YP).
- 2.2 The Annual Plan (AP) is an 'exceptions' based document that is required to focus on any variations from the forecast and plans identified for the corresponding year in the 10YP.
- 2.3 The requirement of the Local Government Act 2002 (LGA) is that public consultation on the AP is only required if the proposed plan includes any "significant or material differences" from the corresponding year in the 10YP.
- 2.4 The Council has held four workshops pertaining to the development of the 2022/23 dAP, with the most recent one held on 10 March 2022 where Council worked through the draft financial forecasts for the 2022/23 AP and agreed that no further changes were required except for those brought about by the Roding network repairs as a result of the February 2022 severe weather event.

Commentary

- 3.1 Section 95 (5) (b) of the LGA requires Council's to identify any variations from the financial statements and the funding impact statement for the relevant financial year that are included in the local authority's long-term plan.
- 3.2 If the variances to work-streams to be undertaken by the Council and the impact of those work-streams on costs and funding are material or significant, from the forecasts contained in the 10YP for the corresponding year, then these must be consulted upon with the community.
- 3.3 In developing the 2022/23 dAP, no material variations have been made to delay or proceed with any significant project or changes to service delivery aspects undertaken by Council. The variations of note were discussed during the February workshop and were not considered a significant or material change.
- 3.4 Legal advice was obtained regarding the adjustment between General Rates and Uniform Annual General Charge (UAGC), it concluded that community consultation by way of a 'special consultative procedure' was not required, but consultation in a manner that gives effect to the requirements of section 82 of the LGA may be needed.
- 3.5 Further information on the repair work to the Roding network has been gathered since the last AP workshop on the 10 March 2022. The initial cost of permanent reinstatement is now

forecast at \$16.1 million with an estimated local share of \$1.4M. The reinstatement work is forecast to be completed over two years ending in June 2024. The updated forecast for road network reinstatement have been incorporated into the dAP. These changes impact revenue, capital, reserves and debt. Due to the nature of the event, the additional local share for 2022/23 included since 10 March workshop is forecast to be funded from the depreciation reserve. The updated figures are captured in the Tables 1-3.

3.6 Council will need to consider the final variations in these Tables alongside the change in UAGC that together this is not a significant departure from the 10YP. This will determine whether to consult and if the SCP is required.

3.7 Draft Financial Forecasts

3.8 There are no significant or material variations or departures from the financial statements or the funding impact statement for the corresponding year in the 10YP. This is demonstrated in Table 1.

Table 1

Forecast All of Council Cost of Service Statement (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	Draft AP 22/23	Var to 10YP Yr 1	Var to 10YP Yr 2
Operating Revenue	(15,384)	(14,585)	(26,392)	(11,008)	(11,807)
Direct Expenditure	18,678	18,184	18,882	204	698
Indirect Expenditure	14,133	14,795	15,620	1,487	825
Total Operating Expenditure	32,811	32,979	34,502	1,691	1,523
Net Operating Expenditure	17,427	18,394	8,110	(9,317)	(10,284)
Capital Expenditure	10,350	9,983	23,614	13,264	13,631
Net Total Expenditure	27,777	28,377	31,724	3,947	3,347
Funded By					
Internal Loans	(2,834)	(2,869)	(4,521)	(1,687)	(1,652)
Reserve transfers	(4,582)	(4,728)	(6,257)	(1,675)	(1,529)
Rates Revenue	(20,361)	(20,780)	(20,946)	(585)	(166)
Total Funding	(27,777)	(28,377)	(31,724)	(3,947)	(3,347)

3.9 The net total expenditure for 2022/23 year is forecast at \$31.7 million, an increase of \$3.3 million compared to the forecast for the same year in the 10YP.

3.10 Total Operating Revenue of \$26.4 million is forecast for the dAP, an increase of \$11.8 million compared to the forecast contained in the 10YP for 2022/23. The forecast increase in operating revenue is due mostly to the increase in Waka Kotahi NZTA subsidy revenue for the repairs to the road network from the storm event in February 2022. Further to this, grant and contribution revenue is forecast to partly fund the construction of the King Country Indoor Sports and Recreation Centre.

3.11 Total Operating Expenditure of \$34.5 million is forecast for the dAP, an increase of \$1.5 million compared to the forecast contained in the 10YP for 2022/23. The forecast increase is due mainly to:

- Resequencing of the district plan development forecast costs to align with the current project timing (funded by internal loan)
- Increased costs imposed by the government for Emissions Trading Scheme and waste minimisation levies, as well as increased landfill operational costs for Solid Waste.
- Road maintenance forecasts have been revised to incorporate the repairs required to the road network after the storm event in February 2022 as well as the increased 3-year road programme for 2021-24 which was advised by Waka Kotahi NZTA in September 2021 (after the adoption of the 10YP).
- A forecast increase in depreciation expense for Recreation and Property buildings and Water Supply assets due to increased asset values, which has a subsequent flow-on effect to the depreciation charge.

- Interest costs are forecast to increase in response to increasing interest rates currently in the market. The interest rate assumption has been updated to 3.71% to reflect these changes, against a forecast assumption of 2.75% adopted in the 10YP. The revised interest rate assumption has been applied to a forecast opening debt at 1 July 2022 of \$32.5 million, less than the assumed opening debt position forecast in the 10YP of \$39.5 million.
- 3.12 Total Capital Expenditure of \$23.6 million is forecast for 2022/23, an increase of \$13.6 million compared to the 10YP forecast for 2022/23. The main variances are:
- Road renewal and reinstatement of parts of the road network impacted by the storm event in February 2022. The repair work to the network is planned over the next two financial years with the majority of this expenditure expected to be funded by Waka Kotahi NZTA subsidy.
 - Construction of King Country Indoor Sports and Recreation Centre, WDC’s contribution remains at \$1.5 million with the remainder funded by grants and other contributions.
 - Installation of gas flaring equipment at the landfill which will result in significant savings under the Emissions Trading Scheme obligations.
 - Stabilisation of the landfill highwall and cell development.
 - The forecast expenditure for alternative water source for Te Kuiti has been removed.
 - Wastewater reticulation renewals and the installation of a pipe under the railway corridor at Carroll Street for the additional design load expected from the new King Country Indoor Sports and Recreation Centre.
- 3.13 Internal loan funding of \$4.5 million is forecast for the dAP, an increase of \$1.6 million on the forecast in the 10YP. The forecast increase is due mostly to fund the stabilisation of the landfill highwall and cell development and installation of gas flaring equipment, re-sequencing of the loan-funded district plan development costs and wastewater reticulation renewals and the installation of a pipeline under the railway corridor. Internal loan funding for the alternative water source in Te Kuiti has been removed.
- 3.14 Forecast reserve funding is \$1.5 million more than planned in the 10YP. This is due to the utilisation of reserve funding including:
- To fund the local share of the road repairs from the storm event in February 2022 and the forecast increase in the 3-year road programme.
 - With the impact of the pandemic on the organisations’ work programme, a number of projects have not progressed as planned. Unspent rates funding from previous years is forecast to be utilised to offset a number of delayed work programmes that are now expected to be completed in the 2022/23 year.
 - Additional reserve funding is forecast in Wastewater to reduce the rates requirement for this activity and provide some rates relief for ratepayers.
- 3.15 The total rates revenue requirement is proposed to be higher than the forecasts contained in the 2021-2031 10YP for the 2022/23 year. Details are shown in Table 2.

Table 2

Proposed Statement of Funding sources (\$000's)	10YP Yr1 21/22	10YP Yr2 22/23	Draft AP 22/23	Var to 10YP Yr 1	Var to 10YP Yr 2
Targeted Rates and Service Charges					
Wastewater	(2,176)	(2,200)	(1,982)	194	218
Water Supply	(1,761)	(1,864)	(1,992)	(231)	(128)
Metered Water Supply Rates	(950)	(983)	(977)	(27)	6
Aquatic Centre	(265)	(270)	(269)	(4)	1
District Development Rate	(296)	(301)	(308)	(12)	(7)

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Proposed Statement of Funding sources (\$'000's)	10YP Yr1 21/22	10YP Yr2 22/23	Draft AP 22/23	Var to 10YP Yr 1	Var to 10YP Yr 2
Piopio Retirement Village Contribution	(16)	(16)	(13)	3	3
District Rooding Rate	(4,346)	(4,492)	(4,474)	(128)	18
Solid Waste Management	(852)	(693)	(847)	5	(154)
Solid Waste Collection	(223)	(231)	(228)	(5)	3
Stormwater Supply	(456)	(473)	(474)	(18)	(1)
Marokopa Community Centre	(4)	0	0	4	0
Forecast Total Targeted Rates and Service Charges	(11,345)	(11,523)	(11,564)	(219)	(41)
General Rates	(5,537)	(5,679)	(7,348)	(1,811)	(1,669)
UAGC	(3,479)	(3,579)	(2,035)	1,444	1,544
Total General Rates and UAGC	(9,016)	(9,258)	(9,383)	(367)	(125)
Forecast Total Rates Requirement	(20,361)	(20,781)	(20,947)	(586)	(166)
Change in Rates	(111)	(420)	(586)		
Percentage Change	-0.54%	2.06%	2.88%		
Other Revenue Sources					
Subsidies & Grants	(11,154)	(9,883)	(21,711)	(10,557)	(11,828)
Interest Revenue	(9)	(9)	(12)	(3)	(3)
Rates Penalties Revenue	(240)	(247)	(300)	(60)	(53)
Fees & Charges	(3,979)	(4,446)	(4,365)	(386)	81
Total Other Revenue	(15,382)	(14,585)	(26,388)	(11,006)	(11,803)
Other Funding Sources					
Internal Loans Raised	(2,835)	(2,869)	(4,521)	(1,686)	(1,652)
Total Funding Sources	(38,578)	(38,235)	(51,856)	(13,278)	(13,621)
Funding Applied to					
Operating Expenditure	32,812	32,982	34,505	1,693	1,523
Capital Expenditure	10,350	9,984	23,614	13,264	13,630
Internal Loan Repayments	2,931	3,224	3,098	167	(126)
Reserve Transfers	(7,515)	(7,955)	(9,361)	(1,846)	(1,406)
Total Funding Applied	38,578	38,235	51,856	13,278	13,621

- 3.16 The forecast Rates Revenue Requirement for the 2022/23 year is \$20.9 million, an increase of \$166,000 compared to the same year in the 10YP and an increase of \$586,000 more than current year.
- 3.17 The forecast increase in rates revenue requirement is 2.88% compared to the forecast of 2.06% in the 10YP.
- 3.18 The general revaluation of the Waitomo District was carried out in September 2021 with notices sent out to owners and ratepayers in February 2022. The resulting valuations saw an overall increase in Capital Value of 26.2%.
- 3.19 The average increase for residential properties was 64%, lifestyle 47%, Pastoral and Dairy 15%, Industrial 42% and Commercial 15%.
- 3.20 The revaluation does not affect the total rates revenue requirement; however, the revaluation can result in a change to the rates charged to individual properties, with some increasing and some decreasing because the rates charged based on capital value are split among properties proportionally.
- 3.21 Rates affordability is a key consideration for Council and the impact of the general revaluation has been thoroughly evaluated during the preparation of this annual plan. As a result, Council has decided to make use of the discretion allowed for in the Revenue and Financing Policy when setting the UAGC for 2022/23. To help smooth the effects of the revaluation and aid in rates affordability, the UAGC is forecast to be set at the reduced amount of \$423, which is a reduction of \$305 from the current year rate of \$728.

- 3.22 Setting the UAGC at a lower rate will reduce some of the extreme increases and decreases caused by the revaluation, however there is still a wide range of movement for individual properties due to the new values.
- 3.23 **Debt and Reserves**
- 3.24 Total public debt at 30 June 2023 of \$35 million is forecast which is significantly lower than the forecast contained in the 2021-2031 10YP for the same year (\$39.1 million).
- 3.25 Council created reserves are also expected to be higher than the 10YP forecast. The closing balance of reserves at 30 June 2023 is forecast at \$20.9 million compared to \$20.1 million in the 10YP for the same period.
- 3.26 Table 3 shows details of how the draft Financial Forecasts for the dAP 2022/23 compare against the parameters in Council's Financial Strategy.

Table 3

Financial Reporting and Prudence Benchmarks	Description	Draft AP 2022/23	Met [Yes/No]
Rates (Income) Affordability Benchmark	The quantified limit is total rates revenue will be limited to an average of 75% of total operating expenditure	61%	Yes
Rates (Increases) Affordability Benchmark	The quantified limit is total rates increases will be limited to a cap of the forecast Local Government Cost Index plus 2%	2.88%	Yes
Debt Affordability Benchmark	The quantified limit is total net debt will not exceed 165% of total revenue	70%	Yes
	The quantified limit is the ratio of net interest will not exceed 20% of annual rates	6%	Yes
Balanced Budget Benchmark	The benchmark is met if planned revenue equals or is greater than planned operating expenditure	137%	Yes
Essential Services Benchmark	The benchmark is met if planned capital expenditure on network services equals or is greater than expected depreciation on network services	283%	Yes
Debt Servicing Benchmark	The benchmark is met if its planned borrowing costs is equal or is less than 10% of planned revenue	3%	Yes

- 3.27 The draft financial forecasts show that there are no material or significant variations in the proposals, costs or funding in the dAP 2022/23 from those contained in the corresponding year of the 2021-2031 10YP, therefore no consultation with the community is required based on financial variations alone.
- 3.28 The final dAP 2022/23 document will be prepared following this meeting, subject to Council feedback and will be presented to Council for adoption at its meeting in May 2022 if no consultation is confirmed.

Considerations

4.1 **Risk**

- 4.2 There is a public perception risk in not consulting, in that the community may not agree with Council's assessment that the changes to the 2022/23 dAP are not material or

significant. However, for the proposed 2022/23 dAP this risk is considered to be low with the legal advice provided.

- 4.3 It is considered unlikely that the view of "no significant or material changes" would be challenged or if it was then that it would be unsuccessful.
- 4.4 Levels of service are unchanged, changes to the work programme are in the timing of projects that have already been consulted on or roading network reinstatement following Cyclone Dovi. Forecast debt levels are lower than forecast, reserves and proposed rates are higher than anticipated.
- 4.5 Further to this, as there is no need for consultation on the AP with the community, Council is able to adopt the 2022/23 AP earlier than usual.
- 4.6 **Consistency with Existing Plans and Policies**
- 4.7 Whilst there are some variances to the draft Financial Forecasts for the draft 2022/23 AP with the forecasts contained in the corresponding year of the 2021-2031 10YP, the variations are not considered to be material.
- 4.8 The legal opinion on the proposed change to the UAGC is considered to be within the scope of the Revenue and Finance Policy (RFP) and does not require a review of the RFP.
- 4.9 **Significance and Community Views**
- 4.10 Section 78 of the LGA requires Council to, in the course of its decision making, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter. Council's decisions on the 2022/23 AP will be communicated with the community and all information will be made available.
- 4.11 Council's Significance and Engagement Policy outlines the matters to be assessed when determining the degree of significance and appropriate level of engagement.

Recommendation

- 5.1 It is recommended that Council does not consult on the 2022/23 Draft Annual Plan, as the variations to the forecasts contained in the corresponding year of the 2021-2031 10YP are not material or significant and the UAGC adjustment is within scope of the RFP.

Suggested Resolutions

- 1 The business paper on 2022/23 Draft Annual Plan – Significance of Variations be received.
- 2 Council consult/not consult on the 2022/23 Draft Annual Plan.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT



ALEX BELL
GENERAL MANAGER – STRATEGY AND ENVIRONMENT

14 March 2022

Document No: A606813

Report To: Council



Meeting Date: 29 March 2022

Subject: Review of Local Easter Sunday Shop Trading Policy

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the two submissions received from members of the public to Council, and the updated Local Easter Sunday Shop Trading Policy (the Policy) for adoption.

Background

- 2.1 The Shop Trading Hours Act 1990 (the Act) was amended in 2016 to enable territorial authorities to decide whether retailers in their districts can open on Easter Sunday.
- 2.2 Section 5A of the Act provides Council with the ability to establish a policy on local Easter Sunday shop trading for the entire district or limited areas.
- 2.3 A local Easter Sunday trading policy cannot:
- Permit shops to open only for some purposes, or
 - Permit only some types of shops to open, or
 - Specify times at which shops may or may not open, or
 - Include any other conditions as to the circumstances in which shops in the area may open
 - override shop trading provisions in other legislation, such as alcohol licencing provisions
- 2.4 The Policy was first considered in 2016 and adopted in 2017. Waitomo District Council (WDC) is now required under section 5C(2) of the Act to review the Policy (5 yearly review).
- 2.5 **PROPOSED AMENDMENTS PRIOR TO PUBLIC CONSULTATION**
- 2.6 At the Council Workshop on 17 February 2022, elected members were presented with the track changed version of the Policy, and the draft Statement of Proposal.
- 2.7 No substantial amendments to the Policy have been proposed. However, the following minor edits have been proposed:
- Included Council in the definition section within the policy.
 - Transferred the policy into the new Council policy template.
 - Replaced the District map including more placenames.

Commentary

- 3.1 **PUBLIC CONSULTATION**
- 3.2 The consultation period ran from 22 February 2022 to March 2022. During this time, the Waitomo District was at the Red setting under the COVID-19 Protection Framework.
- 3.3 Due to the COVID-19 restrictions, the consultation was conducted electronically with a prominent link on the WDC website to a dedicated page. Regular posts were made on WDC Facebook page promoting the opportunity for people to submit on the Policy

3.4 A public notice advertised in the local paper on 24 February 2022, no groups were identified that required individual contact regarding the consultation period.

3.5 **SUBMISSIONS**

3.6 Two submissions were received from members of the public, neither wished to be heard at the Council Hearing. These submissions are included for Council's information as **Attachment 1**.

Submission #1

The Easter weekend is often considered a time when whānau gathers to spend time together but when people are forced to work instead, at least public holiday entitlements for employees help make this worthwhile. Currently, Easter Sunday is not considered a public holiday, thus, those who work on Easter Sunday do not get the same entitlements.

By restricting trade on Easter Sunday, we can return the opportunity of recuperation and family bonding back to people. There is no shortage of days in the rest of the year for people to spend money, and with online shopping, they aren't even prevented from doing so if Easter Sunday trading is restricted. Please consider restricting Easter Sunday trading for the benefit of employees and families throughout the region.

Submission #2

I do not wish Easter Sunday shop trading to be adopted, the peaceful atmosphere is priceless and rarely seen in these times of instant gratification. Three and a half non shopping days in a whole year is not too much to ask surely.

3.7 **ANALYSIS OF THE SUBMISSIONS RECEIVED**

3.8 Section 5H of the Act outlines that an employee does not have to work on Easter Sunday and Clause 1 of the Policy provides that it is at the discretion of the shop owner whether to trade on Easter Sunday or not. Therefore, it is considered that the matters raised in the submissions are already provided for in the Act and in the Policy, and no further amendment to the Policy is required.

Analysis of Options

4.1 **OPTIONS**

4.2 The reasonably practicable options related to the adoption of the proposed policy are:

Option 1:

Council adopt the Local Easter Sunday Shop Trading Policy 2022 (**Attachment 2**) as consulted on with the community (recommended).

Option 2:

Council may revoke the policy which would restrict local shops from trading on Easter Sunday.

Considerations

5.1 **RISK**

5.2 If the Policy is not reviewed this year, it would be revoked after 2 years, as specified in the Act.

5.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

5.4 There are no inconsistencies with Council's plans and policies.

5.5 **SIGNIFICANCE AND COMMUNITY VIEWS**

5.6 Council has undertaken a special consultative process to obtain the community views. Although this was an online process due to COVID-19 restrictions setting it was well promoted. There were only two submissions made, however, it was not unexpected to have a low number of submissions for this policy review.

Recommendation

6.1 It is recommended that Council acknowledge the two submissions and adopt the amended Local Easter Sunday Shop Trading Policy attached to this business paper as **Attachment 2**.

Suggested Resolutions

- 1 The business paper on "Review of Local Easter Sunday Shop Trading Policy" be received.
- 2 Council receive and acknowledge the two submissions from members of the public.
- 3 Council adopts the updated Local Easter Sunday Shop Trading Policy 2022.



CHARMAINE ELLERY
MANAGER STRATEGY AND POLICY



ALEX BELL
GENERAL MANAGER – STRATEGY AND ENVIRONMENT

22 March 2022

Attachment:

- 1 Submission #1 A Daley and Submission #2 D Dudley (A606888)
- 2 Draft Local Easter Sunday Shop Trading Policy (A588269)

Submission One

Website Form

Form Results

Full Name

Debra Dudley

Organisation

Phone

+6421357016

Address

110 Whataroa Rd

Postcode

3981

Email

tony.debra6@gmail.com

Submissions

I wish to speak to Council about my submission

No

Your FEEDBACK

I do not wish Easter Sunday shop trading to be adopted, the peaceful atmosphere is priceless and rarely seen in these times of instant gratification. Three and a half non shopping days in a whole year is not too much to ask surely.

I am not a robot

Submission Two

From: Amanda <daleyamandaj@gmail.com>
Sent: Wednesday, March 2, 2022 4:36 PM
To: haveyoursay <haveyoursay@waitomo.govt.nz>
Subject: Review of Easter Trading Policy

Caution! This message was sent from outside your organization.

To the Waitomo District Council,

Please see below my submission towards the Draft Local Easter Sunday Shop Trading Policy 2022. I do not need to speak to the council about my submission on 29th March.

The Easter weekend is often considered a time when whānau gathers to spend time together but when people are forced to work instead, at least public holiday entitlements for employees help make this worthwhile. Currently, Easter Sunday is not considered a public holiday, thus, those who work on Easter Sunday do not get the same entitlements.

By restricting trade on Easter Sunday, we can return the opportunity of recuperation and family bonding back to people. There is no shortage of days in the rest of the year for people to spend money, and with online shopping, they aren't even prevented from doing so if Easter Sunday trading is restricted. Please consider restricting Easter Sunday trading for the benefit of employees and families throughout the region.

Please note that the option to share views as written in the proposal does not work, as the webpage goes to a 404: Visiting our website: waitomo.govt.nz/consultation and fill an online submission form.

Ngā mihi,
Amanda Daley

35 Ailsa Street
Te Kuiti
0221035540

Waitomo District Council

Local Easter Sunday Shop Trading Policy

First Adopted:	28 February 2017
Review History:	2016, 2022
Date of Next Review:	February 2027
Responsibility:	Corporate Group
Adopted by:	Council (28 February 2017)

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INTRODUCTION | KUPU ARATAKI

This Policy is made under Part 2 (subpart 1) of the Shop Trading Hours Act 1990 ("the Act") which provides Council with the ability to establish a local policy to permit shops to open on Easter Sunday.

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. The purpose of the Local Easter Sunday Shop Trading Policy ("the Policy") is to enable shops to trade on Easter Sunday if they wish to. The Policy neither requires shops to open, or individuals to shop on Easter Sunday.
2. This policy applies to the entire Waitomo District – refer to Schedule 1 for a map of the Waitomo District.
3. This Policy does not:
 - a) Control the types of shops that may open, or their opening hours,
 - b) Limit Council's ability to undertake its duties, powers or functions under any other Act,
 - c) Apply to the sale and supply of alcohol which is regulated under the Sale and Supply of Alcohol Act 2012, or
 - d) Address shop employee rights, which are governed by the requirements of the Act.
4. Council is not responsible for the enforcement of this Policy. Enforcement is undertaken by the central government department that is responsible for the administration of the Act.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Shop	Shop means a building, place, or part of a building or place, where goods are kept, sold, or offered for sale, by retail; and includes an auction mart, and a barrow, stall, or other subdivision of a market; but does not include – <ol style="list-style-type: none">a) A private home where the owner or occupier's effects are being sold (by auction or otherwise), orb) A building or place where the only business carried on is that of selling by auction agricultural products, pastoral products, and livestock, or any of them, orc) A building or place where the only business carried on is that of selling goods to people who are dealers, and buy the goods to sell them again.
Goods	Goods includes all personal chattels other than alcohol (within the meaning of the Sale and Supply of Alcohol Act 2012), money, and things in action.
Council	Means Waitomo District Council

POLICY | KAUPAPA HERE

Any shop is permitted to open on Easter Sunday throughout the Waitomo District.

SCHEDULE 1 – MAP OF WAITOMO DISTRICT



Document No: A606563

Report To: Council Meeting



Meeting Date: 29 March 2022

Subject: Communications Strategy Review 2022

Type: Decision required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Communications Strategy 2022 for Council's consideration and adoption.

Background

- 2.1 Communication is an essential part of good management and the delivery of Council services. Effective communication is about telling our story and telling it well. We can do this by building relationships with mana whenua, iwi, and stakeholders, telling our unique stories, celebrating our successes and milestones, disseminating factual information to key audiences, and inspiring public ownership of Waitomo District Council (WDC) business.
- 2.2 Deliberate, planned, and sustained communication effort from WDC is critical to establish and maintain mutual understanding between WDC and its community as well as its other stakeholders.
- 2.3 WDC also has a legislative obligation towards effective communication. The Local Government Act 2002 requires local authorities to assist and promote opportunities for public participation in local decision making.
- 2.4 A Communications Strategy and an appropriately resourced function is an essential tool for meeting the WDC's strategic objectives and statutory responsibilities.
- 2.5 WDC adopted its current Communications Strategy (CS) in 2018. The 2018 CS is enclosed as **Attachment 1**.
- 2.6 Over the past year, WDC has made good progress in improving the effectiveness and usefulness of its communications with the community. This is evident through the high satisfaction achievement in the 2021 Resident Satisfaction Survey (90% for 2020/21 financial year), as well as increasing positive engagement through social media.
- 2.7 In line with good practice and in order to maintain the effectiveness of our communications, a review of the CS was carried out in February 2022.
- 2.8 The CS has been updated and rewritten, taking a more streamlined approach. It has also been realigned to the new strategic direction set out in the 10 Year Plan 2021-31.
- 2.9 A copy of the new CS is enclosed as **Attachment 2** separately and forms part of this business paper.

Commentary

3.1 The CS sets the direction on how WDC intends to communicate with the community and other external stakeholders.

3.2 The strategy has three key components: Aims, Principles and Outcomes.

3.3 AIMS

3.4 The aims of the CS that the WDC seeks to promote are:

- To foster strong connections with our community through engagement on things that matter most to them.
- To ensure the community understands our services, challenges, and decision-making processes as we communicate in ways that add value and build trust.
- To connect with the community in a way that shows them we are part of their day, every day, working to deliver a better community for all of us.

3.5 PRINCIPLES

3.6 The principles that WDC will adopt in all communications and engagement are:

- **Honest:** True and accurate
- **Open:** Transparent and accessible
- **Timely:** Planned proactive and responsive
- **Clear:** Concise and easy to understand
- **Consistent:** Uniform in tone and meaning regardless of channel or audience, strong brand recognition
- **Purposeful:** Relevant, topical, strategic and of interest to the community.
- **Accessible:** Delivered across multiple channels

3.7 OUTCOMES

3.8 Outcomes are the specific results that we aim to achieve through communication. They are the backbone of the strategy and influence all aspects of communication as well as aligning to WDC's vision: *Waitomo – a vibrant district.*

- **Increase community awareness:** To increase community awareness and understanding of our services, activities, projects, planning and decision-making processes;
- **Proactively deliver information:** To proactively deliver clear, accessible, timely, relevant, and targeted information in ways that best meet the local interests and needs of our communities;
- **Provide accessible communication:** To provide accessible, interactive, informative, and agile communication and digital services that meet the needs of our community;
- **Strengthen relationships:** To strengthen relationships within our community, through communications activities, to increase confidence and support the development of trust;
- **Build our identity:** To build a clearly identifiable and approachable corporate brand that reflects our identity and promotes a sense of community and pride of place; and
- **Community involvement:** Encourage involvement in local decision-making; enhanced community input

3.9 PROCESSES

- 3.10 Along with well-developed Communications Plans, WDC will also use the internationally recognised IAP2 Spectrum of Public Participation framework to determine which level of communication is appropriate for the subject and audience.
- 3.11 It is important to recognise that there are many forms of engagement – all of which have an appropriate place. Each engagement needs to be considered as to which technique is used. For example, not all engagement requires consultation. From one extreme we are just informing (i.e., telling) and at the other extreme WDC is empowering someone else to make the engagement decisions.

		INCREASING STAKEHOLDER INFLUENCE ON THE RESEARCH				
		INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
STAKEHOLDER PARTICIPATION GOAL	Researchers provide stakeholders with balanced and objective information to assist them in understanding the research.	Researchers obtain stakeholder feedback on the research.	Researchers work directly with stakeholders to ensure that stakeholder concerns and aspirations are consistently understood and considered in the research.	Researchers partner with stakeholders for salient aspects of the research.	Researchers assist stakeholders in conducting their own research.	
PROMISE MADE TO STAKEHOLDERS BY RESEARCHERS	We will keep you informed.	We will keep you informed, listen to and acknowledge your concerns and aspirations and provide feedback on how your input influenced the research.	We will work with you to ensure your concerns and aspirations are directly reflected in the research and we will provide feedback on how your input influenced the research.	We will look to you for advice and innovation in designing and conducting the research and incorporate your advice and recommendations to the maximum extent possible.	We will provide advice and assistance as requested in line with your decisions for designing and conducting your research, as well as for implementing the findings.	

3.12 Legislatively Required Communication/Engagement

3.13 WDC has certain legislative requirements in terms of engaging/communicating with its communities for certain decisions/proposals. Engagement is required for the following:

- Long Term Plan and Annual Plans
- Annual Report
- Policies and Bylaws and
- Some Strategies and Plans
- District Plan
- Certain Resource Management decisions

3.14 The process of engagement is legislatively defined (to varying degrees) for these decisions/proposals.

3.15 The communication function provides support for these processes and channels to meet these legislative requirements.

3.16 Evaluation

3.17 This strategy will be reviewed every three (3) years to ensure it continues to reflect the principles and objectives of WDC and is delivering on the communications needs of our community.

- 3.18 Evaluation of the effectiveness and usefulness of WDC communications is an integral part of the CS which will aid in ensuring that resources are used efficiently. Demonstrating what works and what doesn't will help refine future communications strategies.
- 3.19 A six-monthly progress report to WDC will provide an update on the actions and campaigns undertaken to meet the objectives set out in this strategy.

Suggested Resolutions

- 1 The business paper on Adoption of the Communications Strategy be received.
- 2 The Waitomo District Council Communications Strategy 2022 be adopted.



JENELLE BURNELL
LEADER – COMMUNICATIONS AND ENGAGEMENT



ALEX BELL
GENERAL MANAGER – STRATEGY AND ENVIRONMENT

29 March 2022

Attachments:

- 1 Communications Strategy 2018 (A606564)
- 2 Communications Strategy 2022 (A606360)



Communications Strategy

2018

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Introduction

Communication is an essential part of good management and the effective delivery of Council services. We communicate to:

- Build support and advocacy,
- Engage the community and target audiences,
- Harness resources to create change, and
- Be authentic in demonstrating our core values.

Generally speaking, the “why” can be defined by five broad desired responses:

1. To raise awareness,
2. To build understanding,
3. To create a belief,
4. To create behaviour change, and
5. To generate advocacy.

Table 1: Why are we engaging with the community?

Awareness	Understanding	Belief	Behaviour Change	Advocacy
“Never heard of it/ them.”	“I get it – I can see this as important/ relevant to me.”	“I can relate to this – I want to get involved.”	“I will do something about this – and I know what to do.”	“Everyone needs to understand this and get involved.”
Build knowledge and consciousness	Education, engagement/ involvement	What’s the proposition for me? How is this relevant to me?	What’s the call to action? What do you want me to do about it?	Support and systems to facilitate systemic change

(Davies, 2011)

One flows from the other. You can’t drive behaviour change until you have awareness, understanding or belief.

Deliberate, planned and sustained communication effort from Council is critical to establish and maintain mutual understanding between Council and its community as well as its other stakeholders. It is also a key aspect of Council meeting its legislative requirements. The Local Government Act 2002 requires local authorities to assist and promote opportunities for public participation in local decision making. A Communications Strategy and an appropriately resourced function is an essential tool for meeting Council’s strategic objectives and statutory responsibilities.

This Communications Strategy aims to be a “broad statement of strategic direction” for Waitomo District Council’s approach to communications in both levels of service and function.

This strategy:

- Provides a guide to Council’s day-to-day communications activities;
- Sets Council’s expectations for media; and

- Allows Council to better engage with its community in a genuine way.

The Strategy has three key areas

1. Objectives
2. Principles
3. Processes

This strategy describes what Council wants to achieve, who it will engage with, through what channel and how we plan to evaluate the usefulness and effectiveness of Council communications.

Communications Objectives

Objectives are the specific results that we aim to achieve through communication. They are the backbone of the strategy and influence all aspects, including outcomes and actions. The Communication Objectives have been established taking into account Council's overall Vision for the District and strategic direction. They also take into account the broader local government environment.

Council's Vision is ***"Creating a better future with vibrant communities and thriving business."*** One of the focus areas in Council's 2015-25 LTP is placing a greater emphasis on community and economic development. The objectives align to this.

In May 2015, Local Government New Zealand research (Local Government New Zealand, 2015) found that general public understanding of what Councils do is extremely low and, while seen as important to society, Councils generally had a poor reputation.

While it can be debated that a majority of those negative perceptions are in fact due to the quality of or issues with service delivery itself, some of the solution lies in effectively promoting what Councils are doing well and communicating in a transparent and up-front manner when things go wrong.

With this in mind, Waitomo District Council is focused on developing those relationships and creating an environment where its stakeholders want to communicate with Council.

Council communication policies must also take account of statutory obligations to consult with the community. *"The prime purpose of consultation is to enable the effective participation of individuals and communities in the decision-making of Councils. This will enable elected representatives to make better-informed decisions on behalf of those they represent."* (Department of Internal Affairs)

In accordance with the Local Government Act 2002 the following six principles apply when a Council undertakes consultation:

- Councils must provide anyone who will or may be affected by the decision, or anyone who has an interest in the decision, with reasonable access to relevant information;
- These people should also be encouraged to express their views to Council;
- People who are invited to present their views to Council should be given clear information about the purpose of the consultation and the scope of the decisions being made;
- People who wish to present their views must be given reasonable opportunity to present them;
- Councils should receive these views with an open mind and give them due consideration when making a decision; and

- Council should provide people presenting their views with information relevant to decisions and the reasons for them.

Based on the needs and requirements above Council has set out the following Objectives:

1. Promote the value of Council's role in the community,
2. Encourage involvement in local decision-making,
3. Ensure communities are well informed on Council's activities/ operations,
4. Support Council's reputation in the District,
5. Support Council's reputation within the Local Government (LG) sector,
6. Attract people to live or work in and visit the Waitomo District, and
7. Promote a sense of community and pride of place.

Although all of the above objectives are important, in line with its vision, Council has determined that Objective 6, to attract people to live or work in and visit the Waitomo District, is the most important communication objective. Objective 5 - Support Council's reputation with the LG sector was also identified as a key objective.

Prioritising objectives assists with resource allocation during implementation of the strategy.

Communication Principles

The communication principles have been established to guide the form and content of messaging. The principles have been set out to move Council's target audiences from their current thinking or understanding to the preferred position.

These are:

- **Proactive communications** on projects, milestones, activities to pre-empt issues;
- Drive **consistent and repeated messaging** through an integrated communications approach to build credibility and legitimacy;
- **Link messaging to WDC's strategic direction** - social, economic and cultural interests of people and communities. Maintain and enhance quality of the environment, and reasonably foresee needs for future generations.
- **Messaging language** to be such that it comes across as accessible, hands-on, specialists in our field and as having a firm grasp of the issues and avoid the risk of being perceived as a nameless, faceless, authoritarian organisation.
- Establish **strong brand recognition** of Council by ensuring all Council communications bear Council's clear and consistent brand - both in terms of messaging style, logo and collateral. This will promote the breadth of our work;
- Seek to **understand our community** and its target audiences by proactively establishing relationships with key stakeholders to enable two-way communication. This is **particularly important with Māori**, both in respect to obligations under the Local Government Act and the Resource Management Act and as critical participants in our economy and communities;
- **Tailor messaging** to key audiences to ensure that our messaging resonates and also that we are using our limited resources efficiently;

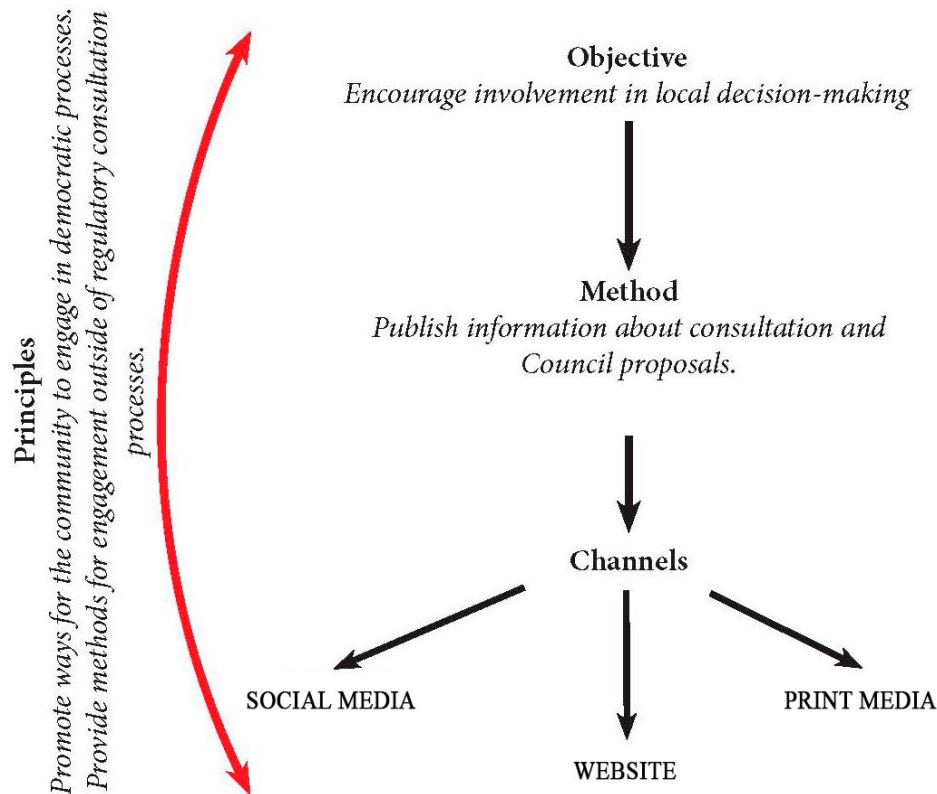
- Ensure internal stakeholders **understand our communications objectives** so we have a consistent message;
- Ensure our communications **clearly reflect Council’s collective position** and is 100% reliable to build trust and confidence;
- Ensure all communications are in **plain English, concise and balanced**;
- Ensure any **misinformation, biased or unfair information is addressed as soon as possible**;
- **Promote ways for the community to engage** in democratic processes. Provide methods for engagement outside of regulatory consultation processes.

Communication Methods

Methods are where the “rubber hits the road” for Council’s communications function. These are tasks, channels or campaigns that will bring into effect the objectives outlined previously. The principles will guide the messaging.

There may be a number of methods to achieve each objective. Subsequently, each method may be fed through a number of channels at Council’s disposal, both internal and external.

An example of how this may flow from objectives to principles, through to method is set out below.



Key Audiences

In order to maximise the penetration of communication resources, key audiences need to be identified.

Identifying leaders within those groups is essential to mobilising or soliciting feedback for various Council processes or projects. Likewise, understanding the motivations of those groups, the demographic of people that make up those groups and how they prefer to engage will inform tailored communications for each group.

The key audiences Council will engage are:

- District community in general,
- Businesses and business associations,
- Community Groups such as Ratepayers Group, Youth Council, Grey Power, Schools,
- Māori organisations,
- Media - local and regional,
- Central government and agencies, and
- Other Councils in the Waikato Region or Councils WDC shares a boundary with.

Council's stakeholder database aims to identify stakeholders and maximise the effectiveness of this resource.

The different channels that are used to communicate with the community are:

- Website
- Print media
- Social Media
- Radio
- Council publications; Rates newsletter, flyers, brochures/guides and posters.

Communicating online is a key element of communication in today's world. An effective website has become an essential means of communication for all organisations.

WDC's Customer Service Strategy includes a key action focused on providing technology solutions: *'Ongoing review of WDC website to provide online communications and transaction processing – i.e. 24/7 customer access'*.

WDC's website is an integral part of the way we deliver services to the community offering access to Council information 24 hours a day, seven days a week. It will be promoted as a key means of communicating and doing business with Council.

Processes

Processes outline a series of actions or steps taken in order to achieve the objectives. To ensure Council's messages are consistent, authentic, and accurate and in line with Council's collective position, it is important that there are robust processes for who can say what, when and to whom.

Forms and processes ensure that the objective of 'ensuring communities are well informed on Council activities/operations' is achieved.

The communications team lead the development of communications processes to ensure key messages are outlined early in the communication planning process, that spokespeople and project ambassadors are identified and contingencies for risks and challenges identified prior to the commencement of a project.

It is critical that all Council officers recognise, value, practice and take accountability for quality communication in their daily activities. In particular, when a new project or area of focus arises, staff will liaise with the communications team to prepare a plan for communication of the project.

Communications will be deployed prior to and following completion of public consultation.

Typically, Councils rationalise decisions on who will publically represent an issue in the media. WDC's Media Policy outlines who may speak to the media.

Communication involves not only keeping people informed about what Council is doing, but also providing people with the opportunity to provide feedback on Council's planning and decision making and how it is performing in its' service delivery.

Council will continue to actively seek feedback from the community with the support of the Communications team.

To assess performance, Council currently carries out annual Resident Satisfaction Surveys (RSS) as a means of gauging the satisfaction of residents with the activities it carries out and the services delivered. The RSS is a good means of gauging the satisfaction of residents.

The Customer Service Strategy provides for a range of targeted customer satisfaction surveys. These are implemented upon completion of the delivery of a specific Council service, such as building consents and provision of Elderly Persons Housing.

Council also communicates with it's communities on planning and decision making on matters such as:

- Long Term Plan and Annual Plans,
- Annual Report,
- Policies and Bylaws,
- Some Strategies and Plans,
- District Plan, and
- Certain Resource Management decisions.

Communications in the form of educational information is required from time to time, to support an improved level of community awareness.

Examples of the activities in which Council communications serve an education purpose are:

- Waste Minimisation,

- Responsible Dog Ownership, and
- Water Conservation.

Implementation of the Communications Strategy

Examples of how Council will implement its communication objectives are set out in the following table.

Objective	Example
Promote the value of Council's role in the community	<p>Regular sharing of service and project information via website, social media and print media.</p> <p>Ensure that the WDC logo and sponsorship is highlighted in communications.</p> <p>Publication of funding and grants information on the website.</p>
Encourage involvement in local decision-making	<p>Extensive promotion of opportunities to engage i.e. using various methods – website, social media, radio and print media.</p> <p>Provide advice on how to make a submission to Council.</p> <p>Communicate any opportunities to engage with Elected Members.</p> <p>Increase use of Mayor's Facebook page in consultation communications campaigns.</p> <p>Share snippets of consultation material on social media and radio in a way that is easy to understand and consider.</p>
Ensure communities are well informed on Council's activities/operations	<p>Proactively communicate significant operational activities and projects in a timely manner.</p> <p>Council operations/work that has the potential to significantly impact on the day-to-day service delivery will be publicly notified.</p>
Support Council's reputation in the District	<p>Promptly respond to Council issues with planned media release.</p> <p>Publish and share information about Council's performance and achievements.</p>
Support Council's reputation within the LG sector	Contribute and showcase a particular success to 'Local Wins' under the LGNZ

	<p>website.</p> <p>Share LGNZ news on Social media.</p>
Attract people to live or work in and visit the Waitomo District	Promote District on social media.
Promote a sense of community and pride of place.	<p>Encourage and promote compliance with Council's regulations, bylaws, policies and vision in Council communications.</p> <p>Communicate negative effects of vandalism/graffiti on community environment and image.</p> <p>Communicate successful collaboration and partnerships that result in positive outcomes for community groups and organisations.</p> <p>Promote Council services that support positive outcomes for community using various communication methods.</p>

Evaluation

Evaluation of the effectiveness of Council communications is increasingly important.

It is important that resources are used efficiently and demonstrating what works and what doesn't will help refine future communications strategies.

A six-monthly progress report to Council will provide an update on the actions and campaigns undertaken to meet the objectives set out in this strategy.

DRAFT

Waitomo District Council

**Communications Strategy
2022**

First Adopted:	29 March 2022
Review History:	
Date of Next Review:	March 2025
Responsibility:	Leader - Communications and Engagement
Adopted by:	Council (date of adoption)

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INTRODUCTION | KUPU ARATAKI

We are everywhere our community lives, works and plays every day.

We are at work on our roads, bridges, footpaths in our main streets, parks and reserves.

We care for our community through building and developing community connections.

We plan for the sustainable use of our land, we protect and manage our natural environment as we look to our community's future.

We strive towards a better tomorrow through economic development initiatives and tourism partnerships.

We support events, we provide water and waste services to large parts of our community.

This is what we do for our community - every day, and these are what we need our community to know.

Effective communication is about telling our story and telling it well. We can do this by building relationships with mana whenua, iwi and stakeholders, telling our unique stories, celebrating our successes and milestones, disseminating factual information to key audiences, and inspiring public ownership of Waitomo District Council (WDC) business.

This Communications Strategy (CS) provides a 'road map' of how WDC needs to develop and implement its communications to support and meet its organisational objectives and legislated requirements which enable democratic local decision making, as well as promoting the social, economic, environmental and cultural wellbeing of the Waitomo District. It will also be consistent with organisational values.

The CS will also describe what Council wants to achieve, who it will engage with, through what channel, and how we plan to evaluate the usefulness and effectiveness of Council communications.

This strategy has three key components:

- Aims
- Principles
- Outcomes and Measurement (achieved results)

The intended impact of all communications is to raise public awareness and help build better understanding and knowledge. The key to effective and successful communications will be to define the target audience and align key messages, which ultimately supports our vision and outcomes.

We cover a wide geographic area with one urban town and several rural towns – all of which are unique and have different ways of receiving information and different interests and communication needs.

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

The purpose of the CS is to provide a strategic direction for the WDC on how it is to engage with the community and meet the aims and principles set out below while ensuring that the intended outcomes are met.

1. Our Aims

The aims of the CS that the WDC seeks to promote are:

- To foster strong connections with our community through engagement on things that matter most to them.
- To ensure the community understands our services, challenges and decision-making processes as we communicate in ways that add value and build trust.
- To connect with the community in a way that shows them we are part of their day, every day, working to deliver a better community for all of us.

2. Our Principles

The principles that WDC will adopt in all of its communications and engagement are:

- **Honest:** True and accurate
- **Open:** Transparent and accessible
- **Timely:** Planned proactive and responsive
- **Clear:** Concise and easy to understand
- **Consistent:** Uniform in tone and meaning regardless of channel or audience, strong brand recognition
- **Purposeful:** Relevant, topical, strategic and of interest to the community.
- **Accessible:** Delivered across multiple channels

In accordance with the LGA, the following six principles apply when a Council undertakes consultation:

- Councils must provide anyone who will or may be affected by the decision, or anyone who has an interest in the decision, with reasonable access to relevant information;
- These people should also be encouraged to express their views to Council;
- People who are invited to present their views to Council should be given clear information about the purpose of the consultation and the scope of the decisions being made;
- People who wish to present their views must be given reasonable opportunity to present them;
- Councils should receive these views with an open mind and give them due consideration when making a decision; and
- Council should provide people presenting their views with information relevant to decisions and the reasons for them.

3. Our Outcomes

Outcomes are the specific results that we aim to achieve through communication. They are the backbone of the strategy and influence all aspects of communication as well as aligning to WDC's vision: *Waitomo – a vibrant district.*

- **Increase community awareness:** To increase community awareness and understanding of our services, activities, projects, planning and decision-making processes;

- **Proactively deliver information:** To proactively deliver clear, accessible, timely, relevant and targeted information in ways that best meet the local interests and needs of our communities;
- **Provide accessible communication:** To provide accessible, interactive, informative and agile communication and digital services that meet the needs of our community;
- **Strengthen relationships:** To strengthen relationships within our community, through communications activities, to increase confidence and support the development of trust;
- **Build our identity:** To build a clearly identifiable and approachable corporate brand that reflects our identity and promotes a sense of community and pride of place; and
- **Community involvement:** Encourage involvement in local decision-making; enhanced community input

4. Audience and Communication Channels

When we are communicating with the public, we are mindful that we are not dealing with one group of people, but rather a complex and diverse range of audiences.

All these audiences are important in different ways, and at different times, to the delivery of WDC services.

The majority of the time we are not trying to communicate with everyone, as specific WDC issues, initiatives or programmes usually only relate to segments of our community, so we need to be constantly thinking about who we need to reach with our particular activities.

In broad terms our audiences fall into several categories:

Our Community	Council	Tangata Whenua	Other Key Stakeholders
<ul style="list-style-type: none"> • Residents • Ratepayers • Visitors • Businesses and business organisations • Community, and social groups • Environmental groups • Key service users 	<ul style="list-style-type: none"> • Mayor and Councillors • Council committees • Employees 	<ul style="list-style-type: none"> • Iwi Maori • Hapu • Mana Whenua 	<ul style="list-style-type: none"> • Council volunteers and contractors • CoLab (Waikato LASS) • COs and CCOs • Local Members of Parliament • Government • LGNZ and Taituara • Economic development agencies • Local government support agencies • MPs • Media • Private and corporate funders

Potential communication channels:

Not all communication channels are currently being utilised, however WDC will review, consider and apply specific communication methods and channels as and when needed.



5. Internal Communications

Internal communication includes both operational staff (employees) and elected members.

In both cases, communication can be a deliberate and planned effort, as well as informal, ie. staff social club, internal celebrations and social get-togethers.

All internal communications will be consistent WDC's organisational values.

The goal is that staff are well informed and know what they need to know to ensure the effective and efficient running of council operations, and the development of a positive and healthy workplace culture.

Internal communication channels include email, phone, face-face, staff meetings, online meetings, intranet and signage.

6. Processes

Along with well-developed Communications Plans, Council will also use the internationally recognised IAP2 Spectrum of Public Participation framework to determine which level of communication is appropriate for the subject and audience.

Where Joint Management Agreements, Memorandum of Understandings or any other similarly high-level agreements exist, these will be considered as a starting point when engaging with Māori when appropriate.

For mana whenua groups without a formal agreement a separate engagement plan will be developed as appropriate.

When Council makes a decision that is significantly inconsistent with this strategy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

IAP2 framework identifies the form of engagement Council will use to respond to some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision-making process.

It is important to recognise that there are many forms of engagement – all of which have an appropriate place. Each engagement needs to be considered as to which technique is used. For example not all engagement requires consultation. From one extreme we are just informing (ie telling) and at the other extreme Council is empowering someone else to make the engagement decisions.

		INCREASING STAKEHOLDER INFLUENCE ON THE RESEARCH				
		INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
STAKEHOLDER PARTICIPATION GOAL	<p>Researchers provide stakeholders with balanced and objective information to assist them in understanding the research.</p>	<p>Researchers obtain stakeholder feedback on the research.</p>	<p>Researchers work directly with stakeholders to ensure that stakeholder concerns and aspirations are consistently understood and considered in the research.</p>	<p>Researchers partner with stakeholders for salient aspects of the research.</p>	<p>Researchers assist stakeholders in conducting their own research.</p>	
PROMISE MADE TO STAKEHOLDERS BY RESEARCHERS	<p>We will keep you informed.</p>	<p>We will keep you informed, listen to and acknowledge your concerns and aspirations and provide feedback on how your input influenced the research.</p>	<p>We will work with you to ensure your concerns and aspirations are directly reflected in the research and we will provide feedback on how your input influenced the research.</p>	<p>We will look to you for advice and innovation in designing and conducting the research and incorporate your advice and recommendations to the maximum extent possible.</p>	<p>We will provide advice and assistance as requested in line with your decisions for designing and conducting your research, as well as for implementing the findings.</p>	

EVALUATION AND REVIEW | ARO MĀTAI

This strategy will be reviewed every three (3) years to ensure it continues to reflect the principles and objectives of the WDC and is delivering on the communications needs of our community.

A six-monthly progress report to Council will provide an update on the actions and campaigns undertaken to meet the objectives set out in this strategy.

To assess performance, WDC carries out a Resident Satisfaction Survey as a means of gauging the satisfaction of residents with the activities it carries out and the services delivered. This strategy will be monitored in line with the Resident Satisfaction Survey.

Specific engagement may also be undertaken to further understand what our community wants in terms of communication.


1. Related Documents

Social Media Guidelines for Waitomo District Council (A220030).

Media Policy – September 2018 (A362751)

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Engagement	Term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.
Group of Activities	The term is used to describe a whole-of-activity approach. Without limiting the application of this provision to other assets, it means all activities and assets comprised within a group as a whole and not each individual component of the group.
Joint Management Agreement	<p>An agreement between a local authority and an iwi authority (or other group representing hapu) that provide for the parties to jointly perform the local authority's functions in relation to a natural or physical resource in all or part of the region/district.</p> <p>An agreement that state's each party's intention to take action, conduct a business transaction, or form a new partnership.</p>
Memorandum of Understanding	A memorandum of understanding is a document that describes the broad outlines of an agreement that two or more parties have reached and communicates the mutually accepted expectations of all of the parties involved in a negotiation.
LGA 2002	Local Government Act 2002.

Document No: A606758	
Report To: Council	
	Meeting Date: 29 March 2022 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. Animal Control Services: Duke Street Dog Attack	Section 7(2)(a) To protect the privacy of natural persons, including that of deceased natural persons;	Section 48(1)(a)(1)
2. Lawrence Street, Te Kuiti - Kainga Ora Proposal	Section 7(2)(g) - To maintain legal professional privilege;	Section 48(1)(a)(1)
3. Raukawa Resource Consent Strategy - Co-design and Co-funding Proposal	Section 7(f) To maintain the effective conduct of public affairs through— the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) applies, in the course of their duty.	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

- 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.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT