



# **Agenda Council Meeting**

**Tuesday 26 July 2022  
at 9.00am**

All attendees at this meeting are advised that the meeting will be electronically recorded (audio and video) for the purpose of webcasting to the Council 's website. Every care will be taken to maintain individuals' privacy; however, attendees are advised they may be recorded as part of the general meeting proceedings.



## NOTICE OF MEETING

**A MEETING OF THE WAITOMO DISTRICT COUNCIL IS TO BE HELD IN THE  
WAITOMO DISTRICT COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON  
TUESDAY 26 JULY 2022 COMMENCING AT 9.00AM**

### COUNCIL MEMBERS

Mayor John Robertson  
Cr Allan Goddard

Deputy Mayor Guy Whitaker  
Cr Lisa Marshall

Cr Phil Brodie  
Cr Janene New

MICHELLE HIGGIE

**MANAGER – GOVERNANCE SUPPORT**

### ORDER PAPER

Items of Business	Page No.
1. Council Prayer	
<i>Almighty God we give thanks for the blessings which have been bestowed on Waitomo District. Laying aside all personal interests, we pray for guidance in our deliberations, that we may conduct the affairs of this Council with wisdom and humility, for the public welfare.</i>	
2. Apologies	
• Councillor Lisa Marshall	
3. <b>9:00am</b> Presentation: Hamilton Waikato Tourism – Annual Report	3 – 33
4. <b>9:15am</b> Deputation: Emily Te Kanawa	34 – 35
5. Declarations of Member Conflicts of Interest	36 – 41
6. Confirmation of Minutes: 26 June 2022	42 – 47
7. Verbal Reports: Elected Member Roles and Responsibilities	
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13. 2021/2022 Dog Control Policy and Practices Report	108 – 113
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#### **PLEASE NOTE**

The business papers attached to this Order Paper set out recommendations and suggested resolutions only. Those recommendations and suggested resolutions **DO NOT** represent Council policy until such time as they might be adopted by Council resolution.

1. This Order Paper may be subject to amendment either by the addition or withdrawal of items contained therein.
2. This Meeting will be **webcast** in real time to the Waitomo District Council website and will also be available for viewing on demand as soon as reasonably practicable following the meeting.

**Document No:** A622393

**Report To: Council**



**Meeting Date:** 26 July 2022

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

**Type:** Information Only

## Purpose of Report

- 1.1 The purpose of this business paper is to advise Council that Nicola Greenwell, Chief Executive, Hamilton and Waikato Tourism will attend the meeting via Zoom at 9.00am to present and speak to the Hamilton and Waikato Tourism Annual Report.

## Commentary

- 2.1 During preparation of the 10 Year Plan 2021-2031, Council confirmed its continued support with the existing Partnership/Service Level Agreement in place with Hamilton Waikato Tourism (HWT).
- 2.2 This arrangement reflects a multi-partner approach to work collaboratively with regional partners, for the betterment of the community.
- 2.3 HWT undertakes regional tourism marketing and development activities for the Hamilton and Waikato Region.
- 2.4 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.
- 2.5 The Partnership/Service Level Agreement confirms that HWT will report twice a year (6 Month Report and Annual Report) to Council in writing in respect to:
- HWT's performance of the Regional Tourism Services;
  - HWT's delivery of the Deliverables;
  - HWT's achievement of KPIs; and
  - Current or anticipated issues.

## Suggested Resolutions

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

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

HELEN BEEVER  
**GENERAL MANAGER – COMMUNITY SERVICES**

July 2022

Attachments: Hamilton and Waikato Tourism – Annual Report and Presentation

## Year End Report to Waitomo District Council 1 July 2021 – 30 June 2022

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

Hamilton & Waikato Tourism is a subsidiary company under the Council Controlled Organisation (CCO) of Waikato Regional Airport Limited. It has a commercial board with Richard Leggat appointed as the Chair in December 2021. Chief executive Jason Dawson finished with Hamilton & Waikato Tourism in January 2022 and Nicola Greenwell has been officially appointed to the position from 1 July 2022.

HWT is funded through a public/private partnership with the region's tourism industry and six local authorities including Hamilton City, Matamata-Piako, Ōtorohanga, Waikato, Waipā and Waitomo. This is the annual report covering the financial year from 1 July 2021 to 30 June 2022.

### Key highlights (July 2021 to June 2022)

NB: Due to timing of data, the below is for the 12 months to May 2022



## Executive summary

The financial year presented numerous trading challenges and a difficult market environment given the arrival of both Delta and Omicron variants of COVID-19 in New Zealand. We have seen a multitude of national and regional lockdowns along with the challenges of operating within the Covid Protection Framework and “red” and “orange” restrictions.

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 delivered a number of key marketing activities including event support and promotion around Matariki and major events such as Women’s Cricket World Cup and the upcoming FIFA Women’s World Cup as well as key regional events. We executed winter, summer and school holiday campaigns in our key domestic markets and we ran a ‘Welcome Back Auckland’ campaign once the borders were reopened between the two regions.

Media activity has accelerated during second half of the year as we came out of lockdown and travel writers were hungry for content. This has allowed us to leverage the opportunity to really push the Waikato region, plus the more undiscovered areas, experiences and communities. We 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 and gained the region national exposure through broadcast media such as Breakfast TV. 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.waikatonz.com](http://www.waikatonz.com) and our Facebook page. We 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 and the stickers have received over 2.4 million views to date.

Print marketing is still a strong medium for our organisation and for the domestic traveller. We produced 50,000 copies of our Regional Visitor Guide, which 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.

The COVID-19 recovery funded received from central Government has enabled a number of projects to be activated: our Destination Management Plan is ready for implementation; we developed the Food & Beverage Tourism Strategy and subsequent activations; we have accelerated capability building opportunities for our operators; the Ambassador Programme has been developed for all parts of our region; we have activated a Regenerative Tourism approach; and we have benefited from the Regional Events Fund.

With the borders now reopening and pre-departure tests no longer required, we are gaining a sense of “return”. However, there is no doubt that the tourism, events, and hospitality sector will continue to have challenges for some time: air connectivity to NZ remains a challenge; labour and workforce shortages are impacting across the country in our sector. While we are buoyed by the return of international visitors, we do not expect similar level of visitation as prior to COVID for a few years.

## Performance targets

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.

NB: Due to timing of data, some of the 12month results are to May 2022

Measure	Result		
<b>Visitor nights</b> Hold total visitor nights compared to previous year	<b>824,294 visitor nights</b> (June 2021 to May 2022) <b>46% occupancy (NZ: 37.6%)</b> SOURCE: MBIE, Accommodation Data Programme Note: Excludes MIQ hotels and MSD motels		
<b>Visitor spend</b> 5% increase in total visitor spend across region compared to previous year	<b>7% decrease on 2021 (2% increase on 2020)</b> <b>\$670million annual electronic card transactions</b> (year ending May 2022) SOURCE: MBIE, Tourism <b>Electronic Card Transactions</b> TECT does not capture ALL spend, ie: pre-paid accommodation/experiences or cash purchases, are not included		
<b>Conventions &amp; business events</b> Rebuild and restore market share of total business events to 5%	<b>11% market share of business events</b> <b>11% of delegates</b> (Q1 2022) SOURCE: Business Events Data Programme		
<b>Industry investment</b> \$100,000 of industry contributions towards marketing activities	<b>\$129,000</b> (As at 30 May 2022)		
<b>Media &amp; travel trade</b> 10 media outlets hosted + 150 travel trade trained or hosted	<b>44</b> <b>media outlets</b> <b>hosted</b> (As at 30 June 2022)	<b>1</b> <b>agents</b> <b>hosted</b>	<b>441</b> <b>agents</b> <b>trained</b>

## Visitor statistics

As mentioned prior, the financial year presented a difficult market environment given the arrival of the Delta and Omicron variants of COVID-19 in New Zealand. For the year ended June 2022, NZ and our region were affected by many Covid lockdowns and “red” and “orange” settings of the Covid Protection Framework. This resulted in just one and half months of “freedom” for visitation. Therefore, many of our visitor statistics have been impacted.

## Visitor expenditure in 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.

For the year ended May 2022, compared to 2021, tourism spending decreased 7% for Waikato; and increased 2% against 2020.



Source: Tourism Electronic Card Transactions, MBIE (May 2022)

## Visitor expenditure in Waitomo

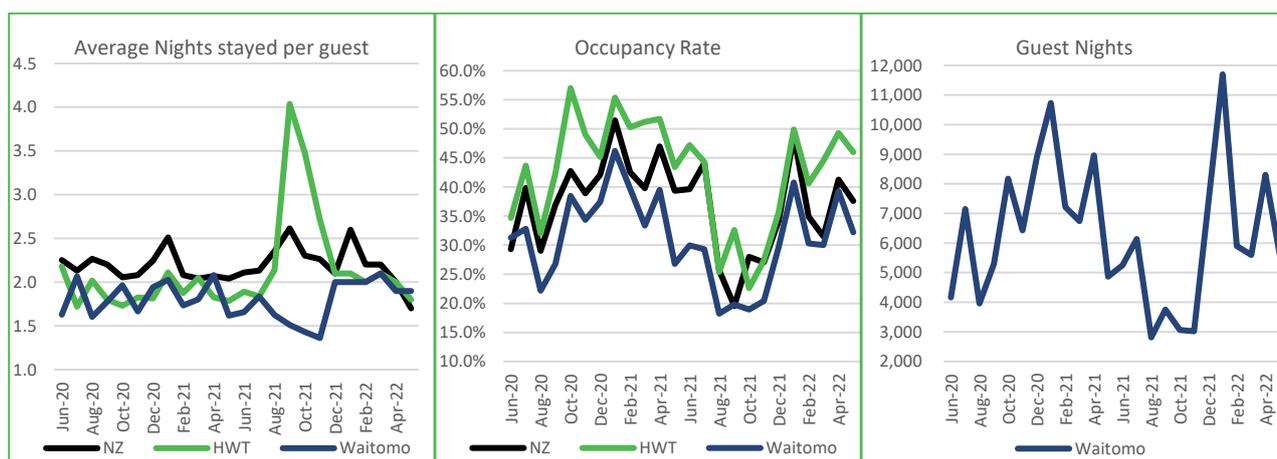
Annual visitor electronic expenditure for Waitomo decreased 7% to year end May 2022; injecting \$27million into Waitomo’s economy.



Source: Tourism Electronic Card Transactions, MBIE (May 2022)

## Commercial accommodation in Waitomo

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 May 2022 was 32.2% (nationally the occupancy rate was 37.6%). People stayed an average of 1.9 nights per visit/stay. This resulted in 5,600 guest nights in May 2022; and 68,438 for the 12 months to May 2022.

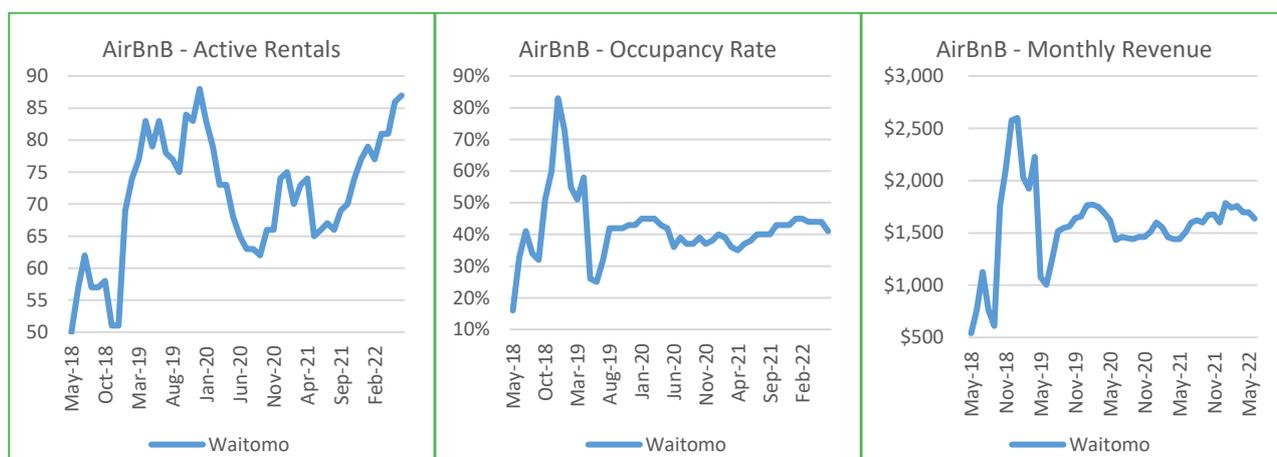


Source: Accommodation Data Plan, MBIE (May 2022)

## Non-commercial accommodation in Waitomo

Waitomo also had 87 properties listed on AirBnB during June 2022 as alternative accommodation to the traditional commercial offerings. This has increased by 21 listings from June 2021 and 22 on May 2020.

These properties experienced 41% occupancy during June 2022. For the 12 months to June 2022, the average occupancy rate for AirBnB properties in Waitomo was 46%.



Source: AirDNA (June 2022)

## Leisure and Trade marketing

### DOMESTIC MARKETING

#### External + Internal domestic markets: Matariki Events Campaign 2021

A specific 'Waikato Matariki Events' campaign launched in early June and concluded at the end of July to coincide with Matariki 2021 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 2021

HWT developed a campaign for winter to encourage travel to the Waikato over the months of July-September 2021. 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 was due to run until the end of August on Facebook and Google Display. Unfortunately, this campaign had to end early due to the Waikato lockdown periods.

#### Internal domestic markets: 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.

#### Internal domestic markets: Mighty Local Campaign

When all of NZ moved to Alert Level 4 on 18 August 2021, 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.

We know the move to the Red Traffic Light in late January 2022 presented issues for the wider tourism industry including hospitality, so we once again boosted our Mighty Local campaign to support. This campaign was set live on the 25 February and ran through until mid-April. With ads across Facebook and Google, iHeart radio, The Breeze radio station and some billboards in Hamilton, the aim was to encourage locals to continue to explore their backyard, dine out or enjoy takeaways from local eateries while reminding them that it is safe to do so.

Born out of our Mighty Local campaign, we secured a regular editorial spot in the Waikato Herald to showcase our local tourism and hospitality operators, as at 1 July we have published 14 stories as part of this partnership.

### **External domestic markets: Welcome Back Auckland**

We ran a small, dedicated awareness 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 neighbourly messaging in this campaign was very 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 ten 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 continued into January and February after the traditional holiday period.

### **External domestic markets: Summer Campaign**

During Level 3, HWT worked through options for an upcoming summer campaign and had planned to launch this in November to inspire summer travel before publications filled up with Christmas content. Unfortunately, lockdown continued for longer than expected, so campaign activity had to be delayed and therefore occurred in early 2022 targeting key drive and fly markets.

Our summer campaign 'Summer Season' launched on 13 January and was in market until 13 March through multiple channels including Facebook, Google, Snapchat, Spotify, Stuff, Neighbourly and TVNZ OnDemand. This campaign targeted key drive and fly markets for the Waikato encouraging short breaks using themes such as cycling, food, regional icons and family. There was an event theme included in the campaign, however just after it launched that component had to be pulled from market due to the Omicron situation and the cessation of large-scale events for several months.

As an alternate to a major campaign pre-Christmas due to the lockdown timing, 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 + Internal domestic markets: Waitomo Weekends**

The Waitomo area of our region has been one of the hardest affected while international borders are closed. Unlike some regions in the South Island, Waitomo did not receive any of the extra targeted support funding from central government for those destinations who have predominantly international visitors. Therefore, it was important to us that we utilise some of the funding we received from central Government to offer extra support for Waitomo affected operators. Part of the support offered to the operators in the Waitomo region includes running a specific Waitomo campaign to highlight all the activities on offer there. This campaign went live on 25 January and was in market until 28 February.

### **Regional Events**

We have supported regional events throughout the year (noting the Omicron exclusion period) 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.

## Summer Events

A specific 'Summer of Events' campaign was scheduled to take place in early 2022 with a printed events guide distributed as an insert (108,000 copies) in the Bay of Plenty Times, Cambridge Edition, Hamilton Press, Manawatu Standard, Taranaki Daily News, Piako Post and Waikato Times. Due to the change to the Red COVID-19 setting in late January, many events were postponed or cancelled, and all events advertising was put on hold.

## Matariki 2022

We were in market from 10 June – 17 July to promote visiting the Waikato during our newest public holiday and long weekend and throughout the period of Matariki 2022.

Working in partnership with Matariki ki Waikato we profiled experiences, accommodation and activities as well as all the fantastic events taking place across the region through Matariki ki Waikato festival. Our activity targeted Waikato residents and key drive markets encouraging them to participate in events happening across the region to celebrate the Māori New Year via digital channels and printed newspaper ads.

## Always On Facebook

Alongside hero marketing campaigns, HWT have developed a series of ads that will run across Facebook and GDN on an ongoing basis to assist with the demand layer of the marketing funnel. 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.

## Chinese New Zealanders

Similar to our 'always-on' Facebook approach HWT undertakes year-round activity through Weibo to promote visiting the Waikato to the Chinese New Zealanders community, predominantly in Auckland. We also undertook specific campaigns for the April school holidays and for winter short breaks from June 2021-July 2022 through Weibo and Little Red Book messaging, Facebook boosted posts and Skykiwi's WeChat. The campaigns aimed to encourage Chinese New Zealanders to explore the Waikato around the themes of family, nature, events and food.

## Social Media Stickers

In June 2022 HWT added seven new options our range of 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. Seventeen stickers are now available on Instagram, Facebook, TikTok & Twitter for anyone to use in their posts – from promoting 'mighty local' and 'meet in the Waikato' to cycling, Waikato waterfalls, 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. To date our stickers have received over 2.4 million views.

## 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 advertising sales funding production and distribution.

## **MEDIA: DOMESTIC & INTERNATIONAL**

While international borders have remained relatively closed for the majority of the year, 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 extensive content in NZ Herald Travel Supplements, Cuisine Magazine, Our New Zealand, NZ Geographic, 3 separate articles in Kia Ora Magazine, Avenues Magazine, UNO Magazine, Motorhomes, Caravans & Destinations Magazines and numerous stories across the Stuff network in print and online.

HWT worked with Tourism New Zealand on a New Zealand specific edition of International Traveller, a popular travel magazine and online outlet in Australia. We secured a number of pieces of content for the Waikato including features in the 'must-dos', nature/wildlife and food articles as well as a specific Waikato article.

Estimated readership of all media activity: 6,728,000.

## **Communications Specialist**

HWT employed a 12-month Communications Specialist in November. This role has been funded by Tourism Reser funding received from central Government, along with some baseline funding. This role sits within the marketing team and creates 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: TRAVEL TRADE**

FY22 saw a hybrid model of trade training and sales activity, with in-person events taking place here in New Zealand and in Australia as well as multiple virtual events also occurring including:

- Attending the annual conference TECNZ Conference and meeting inbound tour operators to update them on trade-ready operators in the Waikato
- Undertaking regional webinars with Tourism New Zealand offices in China, UK, India and Australia
- Participating in the TRENZ Connect virtual events and connecting with trade from the UK, US, Australia and South East Asia
- Attending the first TNZ/RTO in-person Sydney trade event in two years to reconnect with trade and educate them on trade-ready products in the Waikato
- Attending the first RTO/ITO in-person event in two years to reconnect with trade and update them on trade-ready products in the Waikato

HWT hosted the GM from General Trade in August to refresh his product knowledge of some key experiences and accommodation as well introduce some new ones. HWT produced collateral and e-DMs throughout the year to keep global trade up to date with the latest developments and undertook some capability building with operators ahead of borders reopening regarding working with travel trade as it involves a specific distribution and commission model. This involved a dedicated webinar in April as well as trade development support for a number of individual regional tourism operators, particularly accommodation properties.

The Explore Central North Island (ECNI) 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, Taupō, Ruapehu, Tairāwhiti, Hawke's Bay.) Activities have included several virtual eXplore events with AU and NZ travel trade for the RTOs themselves as well as for operators. ECNI RTOs also conducted joint sales calls and training with wholesalers post the TNZ/RTO Australian event in May.

## 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
<b>Media – domestic &amp; international famils</b>	Media hosting and famils profiling Waitomo: <ul style="list-style-type: none"> <li>• Big Bus Travel</li> <li>• Kia Ora Magazine</li> <li>• Roady</li> <li>• Lets Show Them – Cricket World Cup show</li> <li>• Brook Sabin – Stuff.co.nz</li> <li>• Simone Anderson</li> <li>• NZ Herald</li> </ul>	Waitomo Adventures, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave), Mangapohue Natural Bridge, The General Store, Legendary Black Water Rafting, Te Tiro Accommodation, Waitomo Top 10, Spellbound, Waitomo Homestead Cabins,
<b>Media - domestic &amp; international</b>	Waitomo was profiled as part of regional promotions in the following publications: <ul style="list-style-type: none"> <li>• NZ Herald Travel Supplement</li> <li>• Avenues Magazine</li> <li>• Motorhomes, Caravans and Destinations Magazine</li> <li>• Kia Ora Magazine</li> <li>• Stuff.co.nz</li> <li>• Our New Zealand</li> <li>• NZ Geographic</li> <li>• International Traveller, AU</li> </ul>	Ruakuri Bush Walk, Huhu Café, Wai Dome O, Twilight Matariki Glowworm Cave Tour, Matariki Evening Event – Waitomo, The Timber Trail, Waitomo Adventures, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave), Mangapohue Natural Bridge, The General Store, Legendary Black Water Rafting, Te Tiro Accommodation, Waitomo Top 10, Spellbound, Caveworld, Te Kuiti township, Waitomo Hilltop Glamping, Waitomo Museum of Caves, Meads Brothers Exhibition, Fat Pigeon, Marokopa Falls
<b>Travel Trade – webinars &amp; training</b>	International trade events and webinars profiling/attended by Waikato: <ul style="list-style-type: none"> <li>• TNZ webinar – China travel sellers</li> <li>• TNZ webinar – India travel sellers</li> <li>• TNZ webinar – UK/Europe travel sellers</li> <li>• TNZ - Hui Kaihāpa virtual event - AU travel sellers</li> <li>• eXplore virtual event –AU &amp; NZ wholesalers</li> <li>• TNZ – Waikato &amp; Rotorua webinar – AU travel sellers</li> <li>• TRENZ virtual events – UK/US/AU/SEA travel sellers</li> </ul> In-person events: <ul style="list-style-type: none"> <li>• TECNZ conference – NZ wholesalers</li> <li>• TNZ /RTO – AU wholesalers</li> <li>• ECNI AU sales calls/training</li> <li>• RTO/ITO – NZ wholesalers</li> </ul> Hosted in region: <ul style="list-style-type: none"> <li>• General Travel, NZ</li> </ul>	Trade-ready products: Waitomo Adventures, Discover Waitomo (Waitomo Glowworm Caves, Ruakuri Cave, Legendary Black Water Rafting Co, Homestead Cabins), Waitomo Top 10 Holiday Park, Caveworld, Abseil Inn, Te Tiro, Waitomo Village Chalets, Roselands, Spellbound, The Timber Trail
<b>Domestic consumer -Local, Hamilton &amp; Waikato</b>	<ul style="list-style-type: none"> <li>• Matariki Events June – July 2021</li> <li>• Winter School Holidays</li> <li>• Spring School Holidays</li> <li>• Mighty Local - Aug–Sep 2021</li> <li>• Always On Facebook</li> </ul>	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

	<ul style="list-style-type: none"> <li>• 48-pg Waikato Summer Stuff Supplement</li> <li>• Waitomo Weekends – Jan-Feb</li> <li>• Matariki – June-July 2022</li> </ul>	Natural Bridge, Spellbound, Waitomo Trail Run, Waitomo Caves Discovery Centre.
<b>Domestic consumer - External Drive &amp; Fly Markets</b>	<ul style="list-style-type: none"> <li>• Matariki Events June – July 2021</li> <li>• Winter Campaign – July – August 2021</li> <li>• Always On Facebook</li> <li>• Welcome back Auckland</li> <li>• 48-pg Waikato Summer Stuff Supplement</li> <li>• Summer Season – Jan-Mar 2022</li> <li>• Waitomo Weekends – Jan-Feb</li> <li>• Matariki – June-July 2022</li> </ul>	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.
<b>Domestic consumer – Chinese New Zealanders</b>	Ongoing campaign activity has continued through our Weibo social media channel, blogs, community forums etc	Pureora Forest Park, The Timber Trail, Mangaotaki Walk, Piopio, Omaru Falls, Footwhistle Cave - Caveworld, Marokopa Falls, Ruakuri Cave, Waitomo Glowworm Caves, The Lost World, Spellbound Glowworm Cave, Black Water Rafting Mangapohue Natural Bridge, Piripiri Cave, Waitomo Caves, Ruakuri Scenic Reserve, Waitanguru Falls, Hairy Feet, Mangapohue Natural Bridge.
<b>Domestic &amp; International consumer and trade</b>	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
<b>Domestic &amp; international consumer, travel trade and media</b>	<b>Quarterly e-newsletters distributed to our consumer, trade and media databases featuring:</b>	Spellbound, Underground Sounds, Discover Waitomo (Waitomo Glowworm Caves, Homestead Cabins, Ruakuri Cave, Aranui Cave), Waitomo Region, Waitomo Caves, Marokopa Falls, Mangapohue Natural Bridge, Waitomo Village, Matariki Ki Waitomo Evening Event, The Lost World, Black Water Rafting, Rongoā Traditional Maori Medicine Workshop, Roselands Resort, Waitomo Hilltop Glamping, Te Tiro, Wai-Dome-O, Waitomo Village Chalets.
<b>Domestic &amp; International consumer</b>	<p><b>Waitomo profiled through HWT's website and various social profiles including Facebook, Instagram, Twitter &amp; YouTube, including:</b></p> <p>Marokopa Falls, Mangaotaki Walk, Matariki Events, Waitomo Caves village, Discover Waitomo (Ruakuri Cave, Waitomo Glowworm Caves), Omaru Falls, Waitanguru Falls, Piopio, Ruakuri Scenic Reserve, Te Kūiti, Meads Brothers Exhibition, The Timber Trail, Waitomo Zipline Park, Homestead cabins, Mangapohue Natural Bridge, Ruakuri Reserve Walk, Waitomo Caves, Waitomo Adventures (The Lost World), Spellbound Glowworm Cave, Black Water Rafting, Piripiri Cave, Waitanguru Falls Walk, Statue of shearer Te Kūiti, Kai Month Waitomo, Stoked Eatery, Waitomo Caves Discovery Centre, Waitomo Caves Museum.</p> <p>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 &amp; Restaurant, Stoked Eatery.</p>	

## Events and Incentives

### Overview

The lockdown during the majority of August through to December 2021 has been a major challenge for the events sector, with a trend of clients holding multiple possible dates when rebooking as a result, this 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. Those February dates then also got pushed out again or cancelled completely due to the Omicron outbreak.

In addition to this, three of our largest commercial accommodation providers were Managed Isolation Facilities which has also impacted on the conference market, significantly reducing our regional offer. Hosting some larger conferences has been very challenging due to limited accommodation availability which includes most of our motels continuing to be used for emergency housing. Mid 2022, our three accommodation providers that were Managed Isolation Facilities started phasing to come back online to public which is having a positive impact as is planners desire for their people to meet in person.

The Covid Protection Framework (“traffic light system”) moving to red late January 2022 through to mid-April 2022 again created a major challenge for the events sector. Our venues are still seeing event organisers having short lead-in times in hope to lessen risk of further postponement. This is putting pressure on our operators along with staffing shortages due to covid, winter illness and the current difficulty recruiting in the events sector. Many are looking at our industry as less stable in current environment and this is causing concern.

Australia was beginning to show promise mid-2021, however that came to a standstill due to the closing of the quarantine-free Trans-Tasman travel bubble. Australian Associations are now not looking to start exploring travel and hosting conferences in New Zealand until 2023 at the earliest. International event planners are also looking for a stress-free entry process in and out of New Zealand for their delegates. Aotearoa is still very much a desirable destination internationally and we are confident over time we will see this return.

During these level changes we made a conscious effort to keep connected with our partners and initiated purposeful phone call check ins and where we could, visits over the last six months of 2021.

### Events Venues & Open Spaces meetings

Throughout the traffic light level changes and lockdowns over the past year we have facilitated an online meeting for the major events sector. Depending on the level and speed of government changes to settings these were held weekly through to monthly throughout. This was a chance for industry to connect, talk through issues and concerns as well as share successes and practices they were trialling with each level change.

### AuSAE

We continue to partner with AuSAE, the New Zealand Association for Associations. We have an exclusive regional partnership with this organisation, and this enables us to connect with the domestic association market through networking events, lunches and tradeshow attendance throughout the year. Building on existing relationships and creating new connections.

## Business Events online

We made the decision to produce our regional business events directory online only this year and updated our regional events video with updated team members. We have also refreshed our online toolkit and have created a local gift guide which includes giveback ideas for speaker and delegate gifts. We have also worked with partners to create e-maps of Hamilton City and the wider Waikato region identifying locals 'top pics' as well as updating our online image library. We are currently working on new incentive itineraries and a local speakers guide.

## Waikato Business Events Strategy

DUCO events were 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 2021. Our second strategy workshop was postponed to March 2022 due to changing traffic light levels. This strategy is in final draft and once industry case study has been added this project will be finalized and completed.

## 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. Some planned activity for first half of 2022 has been either postponed or cancelled however joint hosted activity is planned for this current financial year

## 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, breath-taking 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.

## Event team activity

Summary of specific conference marketing activity (1 July 2022 to 30 June 2022)

Activity	Detail
<b>Enquiries</b>	40 enquiries and 10 bid proposals managed
<b>Business Activity</b>	<p>July 2021: CAP funding lunch event at University of Waikato hosted with Tourism NZ            Waikato AAPNZ BA4 presentation            Dairy NZ morning tea presentation to Event &amp; EA team            Sales calls: Harcourts NZ – Auckland, BOINZ - Wellington, Fonterra and Waikato Chamber of Commerce – Hamilton            AuSAE networking lunch x 2, Wellington &amp; Auckland</p> <p>Feb 2022: Event, venue &amp; open spaces online meetings            ThermEx REF EOI Webinar</p> <p>March 2022: Thermex REF Event Legacy Webinar            BE Partner breakfast            BE strategy reference group            Joint sales calls - Wellington            Events, venues &amp; Open spaces online meetings</p> <p>April 2022: Events, venues &amp; open spaces online meetings</p> <p>June 2022: ThermEx REF Capability Building Workshop, Taupo</p>

<b>Trade Show and business events</b>	<p>Aug 2021: TNZ AU Roadshow postponed to May 2022, Melbourne, Brisbane &amp; Sydney</p> <p>Sept 2021: AuSAE LINC Conference Rotorua, postponed to Feb 2022 then to Aug 2022 Corporate PA Summit Auckland, postponed to Mar 2022 then Nov 2022 Waikato BE Showcase, Hamilton, postponed to Nov 2021, then Sept 2022 Association Forum National Conference postponed to April 2022, Melbourne</p> <p>Oct 2021: BEIA Conference, postponed to Sept 2022</p> <p>Feb 2022: AuSAE Linc Conference, Rotorua Events, venues &amp; open spaces online meetings</p> <p>March 2022: AIME Tradeshow, Melbourne, 27 prescheduled appointments with AU &amp; SEA buyers (attended online) Events, venues &amp; open spaces online meetings</p> <p>April 2022: AuSAE Networking events held in Wellington and Auckland Events, venues &amp; open spaces online meetings</p> <p>May 2022: Meet North/South famil, Dunedin TNZ AU Roadshow, Brisbane, Sydney, Melbourne</p> <p>June 2022: MEETINGS tradeshow, Christchurch</p>
<b>Hosted Events</b>	<p>July 2021: Kim Preston, MTA – hosted site visits</p> <p>Sept 2021: International Hobbit Day PCO hosting postponed to Nov 2021 Post LINC Conference Associations hosting, postponed to Feb 2022 BE Partner Workshop, postponed to Oct 2021</p> <p>Oct 2021: Wellington joint partner sales calls, cancelled Wellington Soiree, cancelled</p> <p>Nov 2021: International Hobbit Day PCO hosting, cancelled Waikato Mega Famil, cancelled Joint Claudelands Wellington Sales calls, cancelled</p> <p>Dec 2021: Jess Ogg, LJ Hooker – site visits</p> <p>Feb 2022: Local PCO famil – postponed to Summer 23 Meet North/South famil, Waikato – postponed Post AuSAE Linc buyer hosting, Hobbiton Movie Set</p> <p>March 2022: PCO dinner, Wellington – joint buyer hosting ICC Womens Cricket World Cup – joint buyer hosting, Waikato Local buyer event – postponed to Spring 22 Waikato mega famil – postponed to December 22</p> <p>April 2022: Harcourts bespoke famil</p> <p>June 2022: Pre-MEETINGS buyer dinner – joint buyer hosting</p>
<b>Partner Communication &amp; Development</b>	<p>July 2021: Waikato Business Events Strategy reference group meeting</p> <p>Oct 2021: BEW partner zoom meeting, Tourism NZ update</p> <p>Nov 2021: Waikato Business News Feature for Novotel Tainui Hamilton and Hobbiton Movie Set</p> <p>Feb 2022: Meeting Newz Waikato feature Linked in paid advertising</p> <p>Feb, Apr, Jun: Quarterly: HWT BE gold partner meetings Waikato Business News: Waikato event advertorial</p> <p>Waitomo Business Events partners: Discover Waitomo and Waitomo Adventures</p>

## Responding to Covid

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.

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.

### Thermal Explorer Regional Events Fund

The four regions of the Thermal Explorer Highway collective including Waikato, Rotorua, Taupō and Ruapehu were approved \$3.75 million for regional events by Tourism Minister Stuart Nash on 18 December 2020. The Regional Tourism Organisations (RTOs), alongside their council partners, developed a collaborative regional events investment plan to drive additional domestic visitation into their regions.

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

The bulk of the \$3.75 million fund has been allocated through a contestable funding process with successful events being supported over a three-year period. Two rounds of contestable funding have now been allocated. These two rounds have resulted in 34 events being allocated \$2.9million. This sees the contestable fund aspect fully utilised and allocated.

ThermEx capability workshops have been held online throughout the year and more recently in person. Capability will continue for this sector over the next two years including a Thermal Explorer roadshow being planned centred around capability building, event development and feasibility initiatives.

### 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 through to December 2022.

As a medium-large RTO, HWT received \$1 million to undertake activities within the three areas of work:

1. Destination Management & Planning
2. Industry Capacity Building and Product Development
3. Domestic and International Marketing

The below are key projects that have been enabled with the central Government investment:

## Capability Building for the Industry

We have provided an accelerated capability building programme with the utilisation of STAPP and RESET funding. Symposiums, workshops, webinars and one-on-one support has been provided to a range of operators throughout the region.

This work will continue while the RESET funding is available until the end of 2022.

## Regenerative Tourism

Regenerative tourism is focused on the prosperity of people and place and aims to enrich a community by actively contributing value across the four well-beings (social, cultural, economic, and environmental).

It takes the concept of sustainability and builds on it – elevating it from aiming to sustain the environment and mitigate any negative impacts, to positively contributing to a destination.

Regenerative tourism is a key foundation of Waikato's Destination Management Plan. Our approach to regenerative tourism is two-fold – the first being to enable our visitor economy businesses to understand and embrace regenerative tourism and the second being to educate our manuhiri (visitors) about how to care for our region and positively contribute to our communities during their time with us.

While we are at the beginning of our regenerative journey as a destination, we have been undertaking some activities in this space including:

- Operator benchmark survey to gauge how regenerative our industry currently is and how we can support those businesses who need assistance and showcase those doing fantastic work already. Key findings:
  - 85% said they were taking some measures for reducing energy consumption
  - 80% said they are working to reduce, reuse and recycle
  - 68% say they are doing some form of pest control
  - 47% are actively minimizing their carbon footprint
  - 45% are supporting the community with grants and funding
  - 53% are rethinking their operations to reduce waste
- Media coverage of those businesses who are focussed on regenerative practises
- Operator capability – included in HWT Symposium programme and plans for a specific Regenerative workshop
- Tiaki pilot project underway
- Regenerative tourism sections of waikatoz.com for operators and visitors underway

## Food & Beverage Tourism Strategy

We utilised STAPP funding to produce a Food & Beverage Tourism Market Development Strategy for the region. The strategy was developed with consultation from producers, hospitality sector, event managers and caterers. We are now implementing the strategy's action plan including:

- Development of an Advisory Group to share in the ownership of the strategy, to help guide direction for the action plan and collaborate on specific projects
- Content creation – new content created and existing refreshed for waikatoz.com, social media content created including Reels, specific media pitching and coverage (see above marketing media section)
- Image library asset creation – photo and video shoot in May in Hamilton, Raglan and Cambridge areas
- Development of a Waikato Provenance Mark – research project currently underway to explore if and what a provenance mark for the Waikato could look like.
- Conducting feasibility work towards developing a new event for the region.

### Accelerated Marketing Activity

HWT's marketing activity has benefited from STAPP and RESET investment while our industry partners have been unable to partner with us to the same degree as prior to Covid. This central government investment has enabled us to enhance our domestic marketing activities and continue to have a share of voice in what has been and will continue to be a very cluttered and competitive marketplace. The investment has allowed us to support our industry during some of their darkest times through our 'mighty local' activation to encourage Waikato residents to support their local hospitality, events and tourism businesses. We have been able to invest in more campaigns and media opportunities through the year than we would normally be able to as well as introduce new marketing initiatives around concepts such as regenerative tourism. Internationally we have been able to take up some opportunities in Australia through Tourism New Zealand and in collaboration with neighbouring RTOs.

### Visitor Perceptions and Positioning

We engaged Angus & Associates to conduct research to ascertain what potential visitors think that Waikato has to offer. Key findings:

- 21% of NZers who travelled around NZ last year, visited Waikato
- 45% of NZ travellers associate Waikato with "Gardens, Parks and Reserves"
- 54% of NZ travellers agree that Waikato is a great place to visit for a short-term break
- 72% agree that Waikato is either "highly appealing" or "somewhat appealing" as a destination to visit.
- However, 82% of those who have recently visited, said that the region is either "highly or somewhat" appealing.

This research will now inform the work we are conducting with Miles Partnership to confirm what our Positioning Pillars are and how we then include these in our activity moving forward.

### Residents Sentiment towards Tourism

Another substantive research project carried out by Angus & Associates – this time ascertaining what our residents consider to be the benefits of tourism, and what are the challenges that tourism brings to their community. The below findings are for the Waikato region as a whole:

Key findings:

- Waikato residents have a "Tourism Approval Rating" of "Acceptance" towards international and domestic visitation. Whereas New Zealanders in total have "Limited Acceptance" towards international visitors and "Acceptance" towards domestic visitation.
- 82% of our residents say they experienced benefits of tourism, with the top 5 benefits being seen as:
  - More local businesses opening or being able to stay open
  - Opportunities for employment and income
  - Inspired them to travel domestically
  - Enhanced the profile or identity of their area
  - Greater appreciation of the natural environment
- At the same time, 73% of residents indicated that they have experienced adverse impacts from tourism. The top 5 impacts noted:
  - More litter and waste generation
  - Greater difficulty finding a car park
  - Takes longer to get to places due to traffic and congestion
  - Higher day to day living costs
  - Damage to the natural environment

Where the data sample size has allowed, we have received reports for individual Districts. Unfortunately, the sample size for Waitomo and Ōtorohanga was too small, therefore, the below results are for both Ōtorohanga and Waitomo combined:

- Combined “Acceptance” tourism approval rating towards international visitation; although data suggests that Waitomo residents have “Limited Acceptance”. However, both indicate “Acceptance” approval rating towards Domestic visitation.
- The benefits of tourism as identified by Otorohanga and Waitomo residents
  - More local businesses opening or being able to stay open
  - Opportunities to learn more about other cultures
  - Opportunities for employment
- The challenges identified:
  - Feel less safe driving
  - More litter and waste generation
  - Damage to the natural environment

### **Insights tool**

HWT partnered with Bay of Plenty, Ruapehu, Taupō and Tairāwhiti to develop a data/insights dashboard. This is simple to use, provides interactive filters to produce data for each district/TLA (where its available). This will help our reporting in the future.

Of particular impact for Waitomo District, the additional activities below have been funded through central Government investment in HWT:

### **Waitomo support package**

We have allocated funding from STAPP/RESET funding to provide specific support for our Waitomo village-based operators given the significant impact of the closure of international borders:

- EAP Services
- Waitomo Weekend campaign (see marketing section for details)

### **West Coast Journey development**

We are utilising STAPP funding to produce a journey along the western section of our region, through Waitomo district, to connect with Taranaki. This work is in conjunction with Venture Taranaki. The journey map is coming together with the aim to have this in market by Labour Weekend and the summer ahead.

### **Ambassador Programme**

STAPP funding has enabled us to create an Ambassador Programme for Waitomo and Ōtorohanga, together. This is nearing completion and will be ready to deliver once we have secured a facilitator/presenter.

## Destination management

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

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

Destination management requires a holistic and integrated approach 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.

## Waikato's Destination Management Plan

We have developed and adopted a Destination Management Plan for Waikato. This plan builds on, and replaces, the Tourism Opportunities Plan adopted in 2016. While the Plan has been adopted, this will be an ever-evolving Plan, being assessed and updated regularly to ensure we capture new opportunities and address any newly identified challenges.

While the Plan is yet to be summarised and designed, an overview is provided below:

### Executive Summary – *Plan on a Page*

**VISION:** The Mighty Waikato is celebrated for providing real New Zealand experiences—where kaitiaki runs deep, mana inspires and unforgettable discoveries are just around the bend.

**GOAL:** The visitor economy positively contributes to thriving Waikato communities – people, culture and the environment.

**POSITIONING:** The Mighty Waikato – Where magic runs deep.

*Come with us, share our waka and feel the strength and passion. For this is a place beyond the expected, which constantly surprises with natural beauty, powerful history and out-of-this-world experiences. Always far from the ordinary, this is a magical region of villages to play, relax, connect and explore in. Here, our Kaitiaki runs deep, our mana inspires and unforgettable discoveries are just around the bend. A welcoming place where our people keep it real – and experience become unreal. This is the Might Waikato. It's all yours to discover.*

### Taiao Ora Tangata Ora

If the natural world is healthy, so too are the people

#### Guiding Principles

Instilling pride through celebrating and sharing local culture	Providing connections between visitors, local residents and industry sectors	Living our brand values – surprising, magical and authentic Waikato experiences	Embracing guests – Manaakitanga	Regenerative tourism that actively contributes to the communities and the environment – Kaitiakitanga	Fostering innovation – always looking at ways to improve and adapt
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The six Strategic Priorities that will inform our focus areas:

Priority Areas	Programme of Actions
Collaboration, Partnerships & Leadership	1. Effective leadership and management of the destination
	2. Focus on the environmental wellbeing of natural assets
	3. Develop strong and mutually beneficial relationships to ensure positive impacts for the community and growth of the visitor economy for Waikato
	4. Iwi engagement
	5. Measuring progress
Product and Experience: protection, enhancement and development	6. Protection and enhancement of current experiences and investment
	7. Develop product/experiences for the journeys that enhance the positioning of the region
	8. Identify placemaking opportunities for communities
	9. Develop opportunities for communities to come together in their unique spaces
	10. Invest in an events programme that builds on the positioning of the region
	11. Develop food tourism product, journeys and events
	12. Develop infrastructure and services to support experiences and product being developed
Visitor Infrastructure and Investment	13. Identify accommodation needs throughout the region
	14. Invest in data insights to help inform all activity across the region
	15. Identify areas of constraint for the visitor economy within the region
	16. Improve connectivity within the region
Capability Building	17. Ensure connectivity between destination marketing and individual operators
	18. Tourism and event businesses are encouraged/supported to develop capability
	19. Education providers within the region providing career pathways into tourism
Targeted Marketing	20. Develop the journey and travel routes positioning outlined within this plan
	21. Develop campaigns specific to the positioning pillars
	22. Develop higher profiles for hero/iconic experiences within the positioning pillars
	23. Attracting/curating value-add business events aligned to our positioning pillars
Sustainable Tourism	24. Create movement of regenerative tourism pioneers within Waikato sector
	25. Develop products and experiences aligned to regenerative tourism principles
	26. Tackle climate change head-on for Waikato's visitor

## Conclusion

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

- embed the Destination Management Plan into our activities
- continue to assist and encourage operators to embed Regenerative Tourism and sustainability measures into their activity
- deliver new Ambassador programmes for Waipā, Ōtorohanga /Waitomo, Waikato and Matamata-Piako districts
- support event organisers, venues and suppliers with the ongoing challenges with hosting events
- continuing to work with our industry to develop capability and prepare for the ongoing recovery of the tourism sector
- deliver enhanced capability building opportunities with 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
- continue to lobby and advocate for the tourism sector with Government

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

**Nicola Greenwell**

Chief Executive

Hamilton & Waikato Tourism

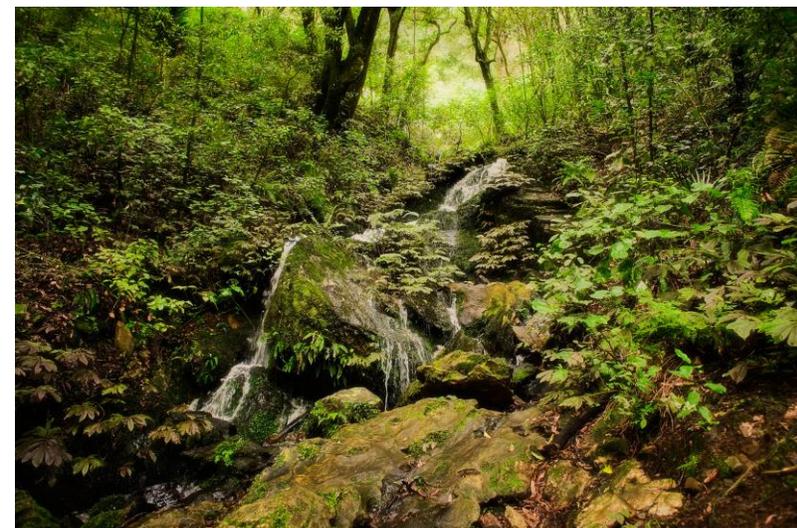
July 2022



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# The Mighty Waikato

Where magic runs deep



# WAITOMO DISTRICT COUNCIL

## Year End Report: July 2021-June 2022

**Hamilton  
& Waikato**  
TOURISM

# The year in colours

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Jul 2021-Jun 2022

July 2021	August 2021 NEW ZEALAND LEVEL 4 LOCKDOWN	September 2021 AUCKLAND LEVEL 4 LOCKDOWN  WAIKATO LEVEL 3 then moved to DELTA LEVEL 2	October 2021 AUCKLAND and WAIKATO LEVEL 3 LOCKDOWN	November 2021 AUCKLAND and WAIKATO LEVEL 3 LOCKDOWN	December 2021 AUCKLANDERS able to leave Auckland from 15 December
January 2022  NEW ZEALAND moved to RED late January	February 2022 NEW ZEALAND At RED	March 2022 NEW ZEALAND At RED	April 2022 NEW ZEALAND at RED  NEW ZEALAND moved to ORANGE mid April	May 2022 NEW ZEALAND at ORANGE	June 2022 NEW ZEALAND at ORANGE

# Key highlights

Jul 2021-Jun 2022

**\$670m**

Tourism Electronic Card  
Transactions

**4th** highest in NZ for  
DOMESTIC visitor spend

**6%** share of domestic  
visitor spend

SOURCE: MBIE: Tourism Electronic Card Transactions (YE May 2022)

**824,293**

commercial guest nights

**3.6%** share of  
commercial guest nights

**46%** Occupancy of  
commercial accommodation

SOURCE: Accommodation Data Programme (May 2022)

**591**

Business Events hosted

**11%** share of  
Business Events

**53,465**

delegates

**11%** share of  
Delegates

SOURCE: Business Events Data (Q1 2022)

**266,892**

International visitors

SOURCE: Stats NZ International Arrivals (YE May 2022)

**44** media outlets hosted

**1** agent hosted

**441** agents trained

**\$129,000**

Industry Investment

As of 30 May 2022

**The Mighty  
Waikato**

Where magic runs deep

# Waitomo

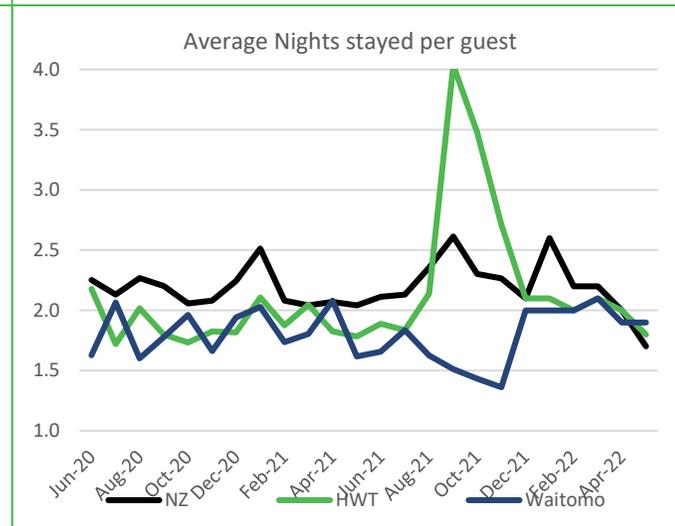
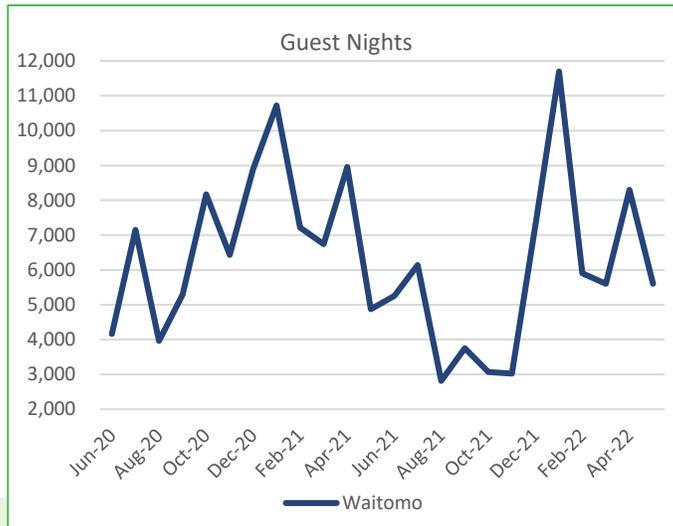
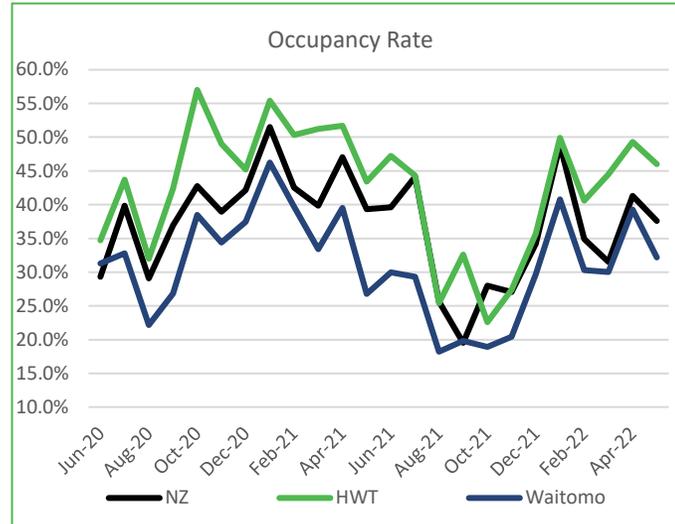
## Commercial Accommodation

**32.2%** occupancy (NZ: 37.6%)

**1.9** Average nights stayed

**68,438** guest nights

Year End May 2022



## Jul 2021-Jun 2022

### Annual Tourism Electronic Spend

**\$27m** ↓ **7%**

Year end May 2022



Tourism Electronic Card Transactions (TECT): year ending May 2022 (MBIE)

# HWT key activity

Jul 2021-Jun 2022

## Marketing activities

Matariki 2021 & 2022  
Winter School holidays  
Welcome Back Auckland  
Summer Campaign  
Summer Events  
Always On Facebook  
Social Media Stickers

**Overall Paid Campaign Total Impressions: 35,321,986**

**Waitomo  
Glowworms**

## WAITOMO WEEKENDS

Winter Campaign 2021  
Mighty Local  
Neat Places  
Regional Events  
ICC Cricket World Cup  
Chinese New Zealanders  
Annual Visitor Guide

## Travel Trade

RTO/ITO  
TRENZ  
TNZ/RTO Sydney

## Media activities

NZ Herald Travel Supplements  
Cuisine Magazine  
Breakfast TV  
Our New Zealand  
NZ Geographic  
Kia Ora Magazine x 3  
Avenues Magazine  
UNO Magazine  
Motorhomes, Caravans & Destination  
STUFF – many articles & “Waikato Escapes”  
International Traveller

**Estimated Readership : 6,728,000**

## Event activities

AuSAE Linc  
Business Events Online  
Business Events Strategy  
Venues/Open Spaces Forum  
Meet North South  
Incentive Video  
Regional Events Fund  
TNZ AU Roadshow  
AIME Tradeshow  
MEETINGS  
Meeting News  
Famils and buyer hosting

## STAPP and RESET project delivery

Destination Management Plan; Food & Beverage Tourism; Regenerative Tourism and Sustainability; Ambassador development; Insights; accelerated capability building

Supporting the sector – Tourism and Events

**The Mighty  
Waikato**

Where magic runs deep

# Specifically for Waitomo

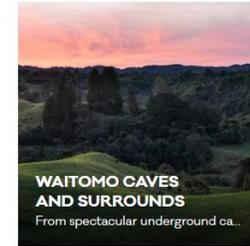


# eapservices

altogether better with habit health

## Jul 2021-Jun 2022

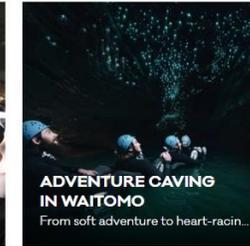
### Waitomo Weekends



**WAITOMO CAVES AND SURROUNDS**  
From spectacular underground ca...



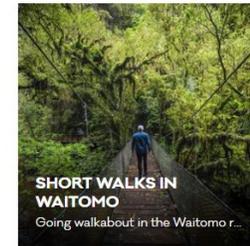
**WAITOMO ACTIVITIES**  
Waitomo has a range of activities a...



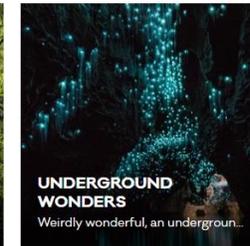
**ADVENTURE CAVING IN WAITOMO**  
From soft adventure to heart-racin...



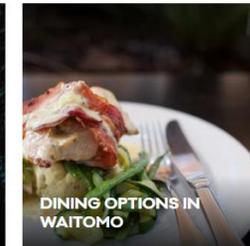
**FREE ATTRACTIONS IN WAITOMO**  
Enjoy the wonders and hidden ge...



**SHORT WALKS IN WAITOMO**  
Going walkabout in the Waitomo r...



**UNDERGROUND WONDERS**  
Weirdly wonderful, an underground...



**DINING OPTIONS IN WAITOMO**



**ACCOMMODATION IN WAITOMO**

**Waikato NZ**  
12 January · 🌐

Tucked away in native forest about 20km to the west of the thriving rural community of Piopio is the Waitanguru Falls Walk. It's a short walk through native forest – allow 15 minutes return – down to a viewing platform to see these pretty tiered falls. Have you done this beautiful walk?

Location: 📍Mangaota Road, Waitomo  
More Info: <https://bit.ly/3jQnZlS>  
#mightywaikato #WalkingWednesday

**Waikato NZ**  
26 January · 🌐

Located near Waitomo, Piripiri Cave is a short 5-minute walk - perfect for families. This easy walk takes in native bush surrounds and limestone outcrops before reaching the cave entrance. Follow the staircase down to the viewing platform where you can take in the sights of the large cave and the ecosystem within. Don't forget your torch!

Have you done this short walk?

Location: 📍29 km west of Waitomo on Te Anga Rd  
More info: <https://bit.ly/2Xy54ju>  
#WalkingWednesday #mightywaikato



**Waikato NZ**  
25 February at 12:23 · 🌐

For a wonderful weekend away, there's nothing like a couple of Instagram-worthy days in the Waitomo region.

Not to be missed:

- 🌟 Waitomo Glowworm Caves
- 🌟 The Lost World
- 🌟 Spellbound Glowworm Cave
- 🌟 Black Water Rafting
- 🌟 Mangapohue Natural Bridge
- 🌟 Marokopa Falls
- 🌟 Piripiri Cave
- 🌟 Ruakuri Cave

Plan your Waitomo Weekend here:  
<https://www.waikatonz.com/waitomo-weekend/>



**k - Walks in Waitomo - Waikato**  
Piripiri Cave Walk in Waitomo is an ea...

**Waikato NZ**  
15 December 2021 · 🌐

Cascading over a ledge of greywacke rock, the Marokopa Falls are said to be one of the most beautiful in the country. The falls are a picture-perfect diversion on the road that wends its way westerly between the Waitomo Caves and the township of Te Anga. Following a track through the tawa and nikau forest takes you down to a viewing platform to watch the 35m falls thunder down. It's an easy 20 minutes' walk from the carpark.

More info: <https://bit.ly/351vbE6>  
Location: 📍 Signposted along Te Anga Road, beyond Waitomo Village, heading towards Marokopa  
#WalkingWednesday #mightywaikato



**Marokopa Falls - Waitomo - Walks in the Waikato**  
Walking track in Waikato: Marokopa Falls Walk in Waitomo. An eas...



**Waitomo Weekends**  
Making a weekend of the Waitomo region is guaranteed to make f...

# The Mighty Waikato

Where magic runs deep

# Destination management strategic priorities

Collaboration,  
Partnerships  
and Leadership

Product and  
Experiences:  
protection, enhancement and  
development

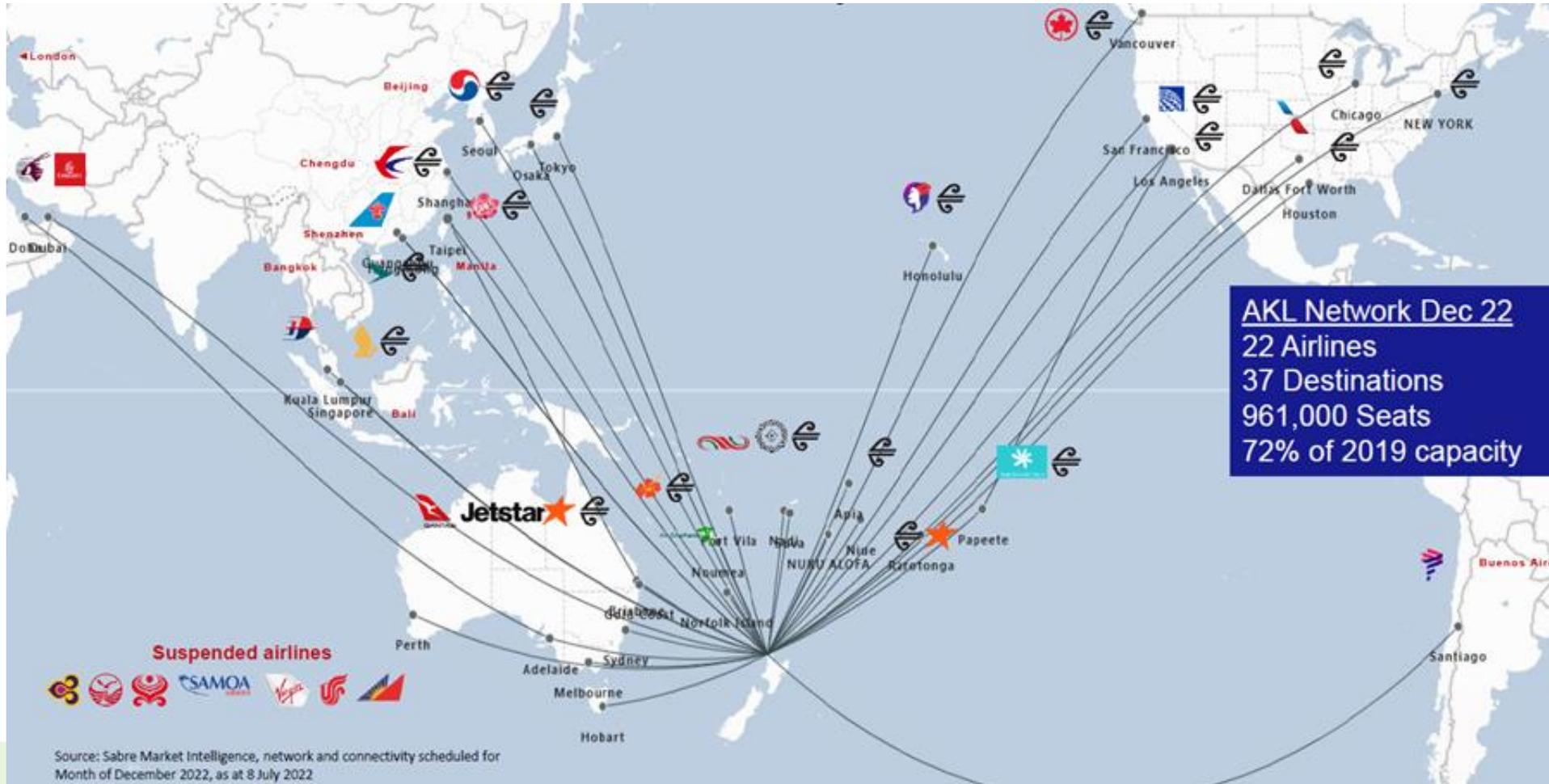
Visitor  
Infrastructure  
and Investment

Capability  
Building

Targeted  
Marketing

Regenerative  
and Sustainable  
Tourism

# Flight connectivity by December 2022



# Kia kaha

## The Mighty Waikāto

Where magic runs deep



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

**Document No:** A622891

**Report To: Council**



**Meeting Date:** 26 July 2022

**Subject:** **Deputation: Emily Te Kanawa**

**Type:** Information Only

### **Purpose of Report**

- 1.1 The purpose of this business paper is to advise that Emily Te Kanawa will be in attendance at 9.15am to present Council with a petition.
- 1.2 A copy of Emily Te Kanawa's request to present to the Council including details relating to the petition is attached.

### **Suggested Resolutions**

The Deputation from Emily Te Kanawa be received.

A handwritten signature in blue ink, appearing to read "Michelle Higgie".

MICHELLE HIGGIE  
**MANAGER – GOVERNANCE SUPPORT**

July 2022

Attachment: Request from Emily Te Kawana

I Emily Te Kanawa request permission to present a petition on traffic calming techniques placed on te kumi road in Te Kuiti and more traffic calming techniques to be placed around our schools and busy daycares as a Deputation to the Council meeting on [26 July](#).

As it stands there is [451](#) people who feel its important to make this change. I am not blaming instead I would rather work the council for a better way forward for the people of te kuiti  
I look forward to hearing from you all  
Emily Te Kanawa

**Document No:** A622255

**Report To: Council**



**Meeting Date:** 26 July 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 1968.

## 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:

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



MICHELLE HIGGIE  
**MANAGER – GOVERNANCE SUPPORT**

<b>Local Authority (Members' Interests) Act 1968</b>
--

- 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 IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 5 JULY 2022 AT 9.00AM

<b>Present:</b>	Mayor John Robertson Deputy Mayor Guy Whitaker Councillor Phil Brodie Councillor Allan Goddard Councillor Lisa Marshall Councillor New
<b>In Attendance:</b>	Chief Executive, Ben Smit Executive Assistant – Business Support, Rajeshwari Mahadevappa General Manager – Strategy and Environment, Alex Bell Manager – Strategy and Policy, Charmaine Ellery General Manager – Community Services, Helen Beever
<b>In Attendance via Zoom:</b>	General Manager – Business Support, Alister Duncan General Manager – Infrastructure Services, Shyamal Ram Special Projects Coordinator, Greg Boyle

#### 1. Council Prayer

#### 2. 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 12 – Progress Report: King Country Indoor Sport and Recreation Centre	Cr New <ul style="list-style-type: none"> <li>• Trustee on Game On Charitable Trust</li> </ul>	Non-Financial

#### 3. Confirmation of Minutes – 31 May 2022

##### Resolution

The Minutes of the Waitomo District Council meeting of 31 May 2022 be confirmed as a true and correct record.

Robertson/Goddard                      Carried

#### 4. 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, many scheduled meetings/events have been cancelled with some meetings being convened via Zoom.

Deputy Mayor Whitaker

1. Legendary Te Kuiti Meeting
2. Brook Park Meetings (x2)
3. Guy Fawkes Event – 12 November 2022
4. Waitomo Sister City
5. Farewell Dinner for Sean Horgan, previous CE of The Lines Company

Cr Marshall

1. Te Kuiti Community House Hui
2. Maniapoto Netball Community Hui
3. Manu Korero
4. Mokopapa at Te Kuiti Pa
5. Matariki Raising of first Flag
6. Matariki Dawn Celebration

Cr Goddard

1. Waikato Regional Council Fresh Water Seminar
2. LGNZ Rural and Provincial Sector Meeting

Cr New

1. Matariki Raising of first Flag
2. Matariki Dawn Celebration
3. Creative Communities Assessment of Applications
4. Waitomo Sister City
5. Legendary Te Kuiti

Cr Brodie

1. Waikato Regional Council Fresh Water Seminar
2. Waikato Regional Council Regional Connections Meeting
3. Rural Support Trust Meeting at Aria
4. Consultation Hui at Te Kuiti Pa for Town Concept Plans

Mayor

1. Monthly Steering Group Meetings
2. Iwi Response Meetings
3. Town Concept Plans
4. Marokopa and Aria Rural Support Trust Meetings
5. Te Kuiti Little Theatre
6. Consultation Hui at Te Kuiti Pa for Town Concept Plans
7. Te Kuiti RSA Luncheon
8. Matariki Dawn Celebration
9. Met with new Chair of Inframax Construction Ltd
10. Met with leader of National Party, Chris Luxon and Dr Shane Reti

**Resolution**

The verbal reports be received.

Robertson/Marshall

Carried

**5. Mayor's Report – June 2022**

Council considered the Mayor's Report for June 2022.

The Mayor expanded on his report and sought Councillors views on making a submission on the Water Services Entities Bill which is now open for submissions with a closing date of 22 July 2022.

The Chief Executive also expanded verbally on the Three Waters Reform at the request of the Council.

The Mayor noted the varying opinions around the Council table and advised that he would be making a submission as Mayor and not on behalf of the Council.

Council noted the requirement for monthly updates to be provided on the Three Waters Reform going forward.

### Resolution

The Mayor's Report – June 2022 be received.

Robertson/Brodie Carried

## 6. Resignation of Councillor Sue Smith – Vacancy on Council

Council considered a business paper outlining the process required under the Local Government Act 2002 and Local Electoral Act 2001 for the extraordinary vacancy created by the resignation of Councillor Sue Smith.

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

### Resolution

- 1 The business paper on Resignation of Councillor Sue Smith - Vacancy on Council be received.
- 2 Council note the resignation of Councillor Sue Smith as hand delivered to the Chief Executive on Tuesday 31 May 2022.
- 3 In accordance with Section 117(3)(b) of the Local Electoral Act 2001, Council resolves that the vacancy is not filled.
- 4 In accordance with Section 119 of the Local Electoral Act 2001, Council give public notice of its decision.

Robertson/New Carried

## 7. Local Government New Zealand – 2022 Annual General Meeting - Remits

Council considered a business paper presenting the Remits received and approved by Local Government New Zealand (LGNZ) for consideration at the 2022 LGNZ Annual General Meeting (AGM) and for Council to resolve how it will vote at the LGNZ AGM on each of the Remits.

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

The Mayor advised of a late Remit circulated by LGNZ from New Plymouth District Council proposing a requirement that the LGNZ adopt a policy to poll its members on any significant issues affecting local government in New Zealand prior to making a decision.

### Resolution

- 1 The business paper on Local Government New Zealand – 2022 Annual General Meeting: Remits be received.
- 2 Mayor Robertson be authorised to vote in support of the Remit No.s 1 - 5 and to use his discretion on the late Remit No. 6 to be considered at the 2022 Local Government New Zealand Annual General meeting as follows:

Remit		Support / Oppose
1	Central Government Funding for Public Transport	Support
2	Review of Government Transport Funding	Support
3	Illegal Street Racing	Support
4	Bylaw Infringements	Support
5	Density and Proximity of Vaping Retailers	Support
6	Late Remit: Polling of LGNZ Members of Significant Issues	Mayor's Discretion

Whitaker/Brodie Carried

## 8. Elected Members' Remuneration

Council considered a business paper –

- 1 To inform Council of the outcome of the Remuneration Authority's review of Local Government Members Remuneration for the period 1 July 2022 to 30 June 2023.
- 2 To inform Council of the remuneration set by the Remuneration Authority for the current elected Council for the period 1 July 2022 until the period ending on the close of the day on which the official result of the 2022 local election is declared under section 86 of the Local Electoral Act 2001.
- 3 To inform Council of the allowances and hearing fees payable as set by the Remuneration Authority for the period 1 July 2022 to 30 June 2023.
- 4 To inform Council of the remuneration pool amount and the minimum allowable remuneration set by the Remuneration Authority for the new Council to be elected at the 2022 Local Elections.
- 5 To inform the process the newly elected Council will need to complete to consider and make recommendations to the Remuneration Authority on how the remuneration pool should be distributed for the period on and from the date on which the official result of the 2022 election is declared.

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

### Resolution

The business paper on Elected Members Remuneration be received.

Robertson/Goddard Carried

The General Manager – Strategy and Environment and Manager Strategy and Policy entered the meeting in person at 10.05am.

## 9. Review of Freedom Camping Bylaw and Adoption of Statement of Proposal

Council considered a business paper, including a tabled amended business paper and Statement of Proposal, presenting the draft Freedom Camping Bylaw and Statement of Proposal for consideration and adoption to enable public consultation on the proposed changes to the Bylaw with the following timeframe:

Consultation Period

8 July – 5 August 2022

**Council Meeting**

- Hearing and Deliberations 30 August 2022

**Council Meeting**

- Adoption of Final Bylaw 30 August 2022

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

**Resolution**

- 1 The amended business paper on Review of the Freedom Camping Bylaw and Adoption of Statement of Proposal be received.
- 2 Council adopts the amended Statement of Proposal as tabled for the proposed amendments to the Freedom Camping Bylaw for public consultation from 8 July to 5 August 2022.

Robertson/Marshall Carried

<b>10. Town Concept Plans – Refresh Project</b>
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Council considered a business paper providing a brief on the Town Concept Plans Refresh Project, the association Communications Plan and community engagement arrangements.

The General Manager – Community Services, Chief Executive and General Manager – Strategy and Environment expanded verbally on the business paper and answered Members' questions.

The Special Projects Coordinator entered the meeting at 10.19am.

Council noted the need to convene update workshops, one as scheduled for 26 July and a further workshop mid-August.

**Resolution**

The business paper on Town Concept Plans – Refresh Project be received.

Robertson/New Carried

<b>11. Progress Report: King Country Indoor Sport and Recreation Centre</b>
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Council considered a progress report on the building phase of the King Country Indoor Sport and Recreation Centre.

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

**Resolution**

The business paper updating progress on the build phase of the King Country Indoor Sport and Recreation Centre be received.

Robertson/Whitaker Carried

<b>12. Progress Report: Te Ara Tika</b>
---

Council considered a business paper reporting the current status of the Te Kuiti Pedestrian Railway Overbridge replacement project – Te Ara Tika.

The Special Projects Coordinator expanded verbally on the business paper and answered Members' questions.

**Resolution**

The business paper reporting the current status of the Te Kuiti pedestrian overbridge replacement project, Te Ara Tika, be received for information.

Robertson/Marshall                      Carried

There being no further business the meeting closed at 10.40am.

Dated this                      day of                      2022

JOHN ROBERTSON  
**MAYOR**

<b>Document No:</b> A622863	
<b>Report To:</b>	<b>Council</b>
	<b>Meeting Date:</b> 26 July 2022
	<b>Subject:</b> <b>Mayor's Report – July 2022</b>

At the last Council meeting, I invited elected members to support making a submission to the Parliamentary Select on the Water Services Bill. This was not supported by members. I have therefore made a submission as Mayor alone.

My submission is as follows.

*My name is John Robertson. I am the Mayor of the Waitomo District. I wish to make a submission on the Water Services Bill in my capacity as Mayor of Waitomo.*

*I have followed the proposals to reform the way Waters Services are delivered and have watched the policy and the entity model development since the Water Industry Commission for Scotland and associated review papers were released in 2021.*

*The way water infrastructure is funded in New Zealand needs attention. The current funding methods available to Councils are inadequate. This has been highlighted for years, including in the 2007 Shand and the 2019 Productivity Commission reviews. Successive governments have failed to listen to local government concerns, and no government has tackled the issue until now.*

*Unfortunately the Government has decided to address the issue of funding by carrying out a major restructure of the industry as outlined in this Bill. The model advanced is a high cost model; it creates significant transition risk and will delay investment in the sector in the short term; it introduces a clumsy and bureaucratic decision-making process; and it reduces local say.*

*In this Bill, water assets are to be removed from Councils and placed into four regional water entities. The business case behind this plan claims significant cost savings from economies of scale. The claims are heroic to say the least, based on assumptions that are spurious, and forecasts that will likely prove to be way off the mark.*

*In the words of Farriersweir, a reviewer of the Commission's report, "forecasts almost always turn out incorrect, especially over a 30-year horizon." I fear that the outcome from these reforms will be well away from the outcomes forecast.*

*I have chaired corporate, Crown, and Statutory companies over the past thirty years. If the Commission had presented its business case to the Boards of any of these companies, the Commission would have been told that the work was substandard and would have been sent away to redo the work.*

*I want to focus in this submission on the question of "equity" and pricing to consumers. There is nothing in this legislation that informs the public what equity means, nor the closely related matter of how the pricing of water services to consumers model is to work.*

- *The Minister of Local Government has repeatedly implied that these reforms will deliver a more equitable and affordable pricing regime to consumers. By this the public has been led to believe that she means that those in rural areas such as Mokau in the Waitomo District will benefit from*

*price harmonisation. In other words, that consumers in the lower cost of service urban areas will cross-subsidise those in the higher cost of service rural areas.*

- *DIA has made similar claims on its website. “Three Waters Reform represents a multi-generational opportunity to address long-term affordability challenges, equity of access to services, and meet quality expectations of our communities in the delivery of drinking water, stormwater and wastewater services.”*
- *A similar inference is contained in Cabinet papers of 14 June 2021 where supply to iwi/Māori is addressed.*

*That being the case, the question is how will equitable pricing outcomes become a requirement of the monopoly Water Entities that charge consumers?*

*This Bill contains no such direction.*

*The closest it comes to mentioning this matter is in Clause 130 (2) (e), which relates to a Government policy statement which **may** be made (Clause 129), after consultation (Clause 131(b) on “how the Government expects water services entities to take into account the well-being of communities.”*

*As Members know, Government policy statements are secondary legislation and may change according to the whims of a Minister. This is not sufficient to embed into law one of the key propositions advanced by the Minister - that these reforms will deliver equity and affordability.*

*There are two extremes for pricing by monopolies. One is to let the prices reflect the cost of a service. The other is to harmonise all prices charged by an entity – in other words consumers pay the same price wherever they are within the entity area.*

*I urge the Committee to address this matter by proposing that this Bill include provisions to the effect that prices to consumers will be harmonised within each Entity.*

*I wish to be heard.*



JOHN ROBERTSON, QSO  
**MAYOR**

**Document No:** A622193

**Report To:** Council



**Meeting Date:** 26 July 2022

**Subject:** Adoption of Statement of Intent 2022/2023 for Co-Lab

**Type:** Decision Required

### Purpose of Report

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

### Background

- 2.1 Section 64 of Local Government Act 2002 (LGA 2002) requires the board of all council-controlled organisations (CCO) to deliver a draft SoI on or before 1 March in the preceding financial year to which the draft statement of intent relates.
- 2.2 Council received draft SoI from WLASS within the statutory deadline of the 1 March. The draft SoI was presented to Council on the 29 March 2022.
- 2.3 Council resolved the draft SoI be received and that no changes are suggested to the draft Statement of Intent for the year ending 30 June 2023.
- 2.4 Section 64 of LGA 2002 also requires the board of all CCOs to deliver a completed SoI to the shareholders before the commencement of the financial year to which it relates.
- 2.5 Changes to the Local Government Act 2002 that came into effect on the 22 October 2019 requires Council to:

*"Each shareholding local authority must publish the adopted statement of intent on an Internet site maintained by or on behalf of the local authority within 1 month of adopting it, and must maintain the statement on that site for a period of no less than 7 years."*

### Commentary

- 3.1 Co-Lab has delivered a completed SoI for the 2022/2023 financial prior to the commencement of the 2022/2023 Financial Year.
- 3.2 Co-Lab Board adopted and delivered a SoI that is consistent with the draft SoI presented to Council on the 29 March 2022. The priority and performance measures are unchanged, operational budgets have changed to reflect the focus and planned projects for the 2022/2023 financial year.
- 3.3 The total income has increased by \$338,014, total operating expenditure has also increased by \$312,468 and total depreciation/amortization has reduced by \$3,356 resulting an increased to the projected surplus of \$28,902.

## Considerations

### 4.1 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

4.2 The decision to adopt the SoI 2022 as presented will be consistent with Council's understanding of the future plans of Co-Lab and its objectives for the CCO.

### 4.3 **SIGNIFICANCE AND COMMUNITY VIEWS**

4.4 The SoI 2022 is aligned to Co-Lab constitution and their plans and forecasts discussed with the Council previously and is generally aligned with the expectations of Council from its shareholding. Therefore, the decision is not considered to require public engagement as per Council's Significance and Engagement Policy.

## Suggested Resolutions

- 1 The business paper on Adoption of Statement of Intent 2022/2023 for Co-Lab be received.
- 2 Council adopt the Statement of Intent for Co-Lab.
- 3 That the Statement of Intent for Co-Lab be published on Council's website.



ALISTER DUNCAN

**GENERAL MANAGER - BUSINESS SUPPORT**

Attachment: Statement of Intent 2022 – Co-Lab (A622194)



## **2022 Statement of intent**

**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, inflation, supply chain challenges 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. The irony is that the main purposes of the project are to identify and implement changes that will improve the customer experience, and to save council staff time and effort that can then 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. Final proposals have gone to councils and 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 Williams, Gareth Green – 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-Lab<sup>1</sup> is owned in equal portion by the 12 Waikato Local Authorities<sup>2</sup>:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- 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.

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

<sup>2</sup> This is the ownership structure at the time of writing. Taupo District Council will cease to be a shareholder in the coming financial year, and we are having discussions with Western Bay of Plenty District Council, who have expressed interest in becoming a shareholder

## 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, 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

<b>Our vision</b>	<b>Our councils are maximising the value they provide to their communities</b>					
<b>Our purpose</b>	<b>We support them in doing so by making it easier for councils to identify and realise shared opportunities</b>					
<b>Outcomes we are seeking</b>	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	
<b>Our specific objectives</b>	<ul style="list-style-type: none"> <li>➤ Achieve effectiveness and efficiency gains</li> <li>➤ Reduce duplication of effort and eliminate waste through repetition</li> <li>➤ Helping the councils achieve an appropriate balance in risk and return</li> </ul>		<ul style="list-style-type: none"> <li>➤ Promote and contribute to the development of best practice</li> <li>➤ Make it easier for communities to engage with councils in the Waikato region on a consistent basis</li> <li>➤ Promote business transformation to improve communities' experiences</li> </ul>		<ul style="list-style-type: none"> <li>➤ Enable the Waikato councils to collectively be more effective as a region on the national stage</li> <li>➤ Contribute to building central government's confidence in the Waikato region, and to encourage central government investment</li> </ul>	
<b>Priorities: How we will achieve our outcomes</b>	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	
<b>What we must manage well</b>	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.

#### 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 establishing a means of creating common training material 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 P&C 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 (BCSS) 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.

In March 2022 MBIE announced their review of the building consent system. Following this announcement, the Board made the decision to pause the BCSS project until MBIE releases its paper setting out the direction the review will take. This decision is to ensure that we do not duplicate effort. While the project is currently on hold, we have started engaging with MBIE on how we work with them throughout their review to achieve the right outcomes.

### 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.

### Future projects

We will shortly commence our annual review of priority projects. We will be presenting ideas to councils about future opportunities to support them to create value through collaboration and seek their feedback on these. By way of example, discussions with council P&C Managers suggests there would be value in working together on developing a compelling employee value proposition, to help attract and retain talent in an increasingly tight labour market.

## 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.

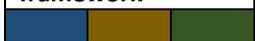
So, the critical risk to Co-Lab fulfilling its purpose and your goals is the willingness and capacity of council staff to help us do so.

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
<p>Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives</p> <p><b>Link to outcomes in the performance framework</b></p> 	<ul style="list-style-type: none"> <li>➤ Business cases will include measurable benefits linked to one or more of the outcomes sought</li> <li>➤ Businesses cases are supported by councils (evidenced by take up of the opportunity)</li> </ul>	<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 timelines</p> <p><b>Link to outcomes in the performance framework</b></p> 	<ul style="list-style-type: none"> <li>➤ Opportunities / projects are developed / delivered within agreed timelines</li> <li>➤ Opportunities / projects are developed / delivered, within approved budget</li> <li>➤ Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval</li> </ul>	<p>80%</p> <p>90%</p>
<p>Ensure projects realise their expected benefits</p> <p><b>Link to outcomes in the performance framework</b></p> 	<ul style="list-style-type: none"> <li>➤ Measurable benefits are actively monitored and reported against</li> <li>➤ Audit &amp; Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)</li> </ul>	<p>Six-monthly</p> <p>For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Assessment within 15 months 90% of projected quantifiable benefits are realised</p>
<p>Ensure existing services are meeting the needs of councils</p> <p><b>Link to outcomes in the performance framework</b></p> 	<ul style="list-style-type: none"> <li>➤ The services we provide are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):</li> </ul>	<p>80% of councils</p>
<p>Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice</p> <p><b>Link to outcomes in the performance framework</b></p> 	<ul style="list-style-type: none"> <li>➤ Across these groups, ideas for future consideration and/or initiatives are identified each year</li> </ul>	<p>Four per annum</p>

- 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 considered stretch goals, but achievable. However, we aspire to *always* better, or at least meet, timetables and budgets.

## 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 of 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
Lance Vervoort	Hamilton City Council
Ben Smit	Ōtorohanga, Rotorua, Taupo, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
Don McLeod	Hauraki, Matamata-Piako and Thames-Coromandel District

Peter Stubbs' appointment as Independent Chair has been renewed for a further three years from 1 July 2022.

The independent Chair of Co-Lab receives director fees and reimbursed expenses. Directors representing the councils will not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

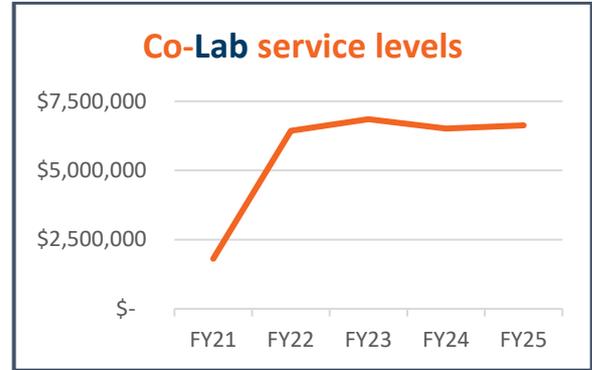
## Financials

### 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.**

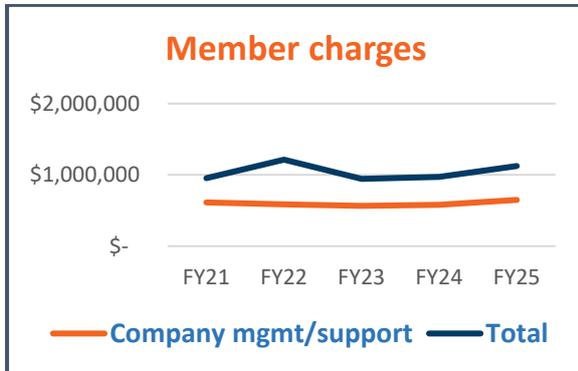
#### Service levels

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 FY23 with the planned launch of Co-Lab Learning and procurement support services.



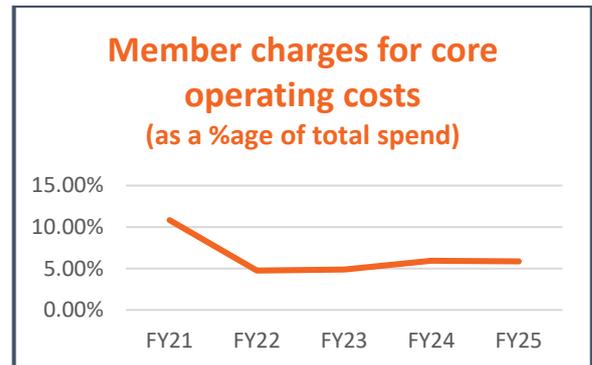
#### Member charges

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



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 reflects the new Co-Lab Water Services offering.

While this offering increased the overall size of the company by revenue, it did not require a corresponding increase in 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.



## 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
<b>Income</b>						
Company Management / Support	1,391,159	1,342,664	870,000	894,150	918,575	
Working parties   projects	716,183	826,450	753,352	594,220	666,004	
RITS	27,000	27,000	27,000	27,810	28,644	
Information Technology	772,462	861,302	398,201	28,596	28,996	
Energy Management	128,000	128,000	123,690	127,401	131,223	
Shared Valuation Data Service (SVDS)	388,115	388,112	414,292	426,206	438,992	
Road Asset Technical Accord (RATA)	2,231,000	2,235,611	2,015,899	1,644,972	1,586,454	
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	373,663	382,879	464,193	
Waikato Mayoral Forum	5,000	5,000	5,000	5,000	5,000	
Water Collaboration	752,500	540,000	685,092	646,588	663,379	
Co-Lab Water Services	3,327,113	3,056,632	3,373,353	3,412,517	3,514,893	
Co-Lab Learning	0	0	489,236	503,913	519,030	
Procurement	0	0	268,600	276,658	284,958	
Geospatial	0	-	64,623	65,270	66,920	
<b>Total Income</b>	<b>12,000,321</b>	<b>10,930,972</b>	<b>11,619,952</b>	<b>9,797,973</b>	<b>11,120,943</b>	
<b>Operating Expenditure</b>						
Company Management / Support	1,534,552	1,384,427	1,203,186	1,243,560	1,281,013	
Working parties   projects	979,195	957,510	753,352	594,219	666,004	
RITS	27,000	27,000	27,000	27,810	28,644	
Information Technology	847,833	832,804	395,455	24,696	25,042	
Energy Management	127,900	126,679	123,690	127,401	131,223	
Shared Valuation Data Service (SVDS)	351,195	281,345	325,893	335,670	345,740	
Road Asset Technical Accord (RATA)	2,231,000	2,237,015	2,011,040	1,640,541	1,581,890	
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	373,663	382,879	464,193	
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	
Co-Lab Water Services	3,268,219	2,973,351	3,134,485	3,177,655	3,272,985	
Co-Lab Learning	0	0	444,760	458,103	471,846	
Procurement	0	0	268,600	276,658	284,958	
Geospatial	0	-	65,123	65,556	67,215	
<b>Total operating expenditure</b>	<b>12,336,183</b>	<b>10,856,749</b>	<b>11,571,349</b>	<b>9,765,616</b>	<b>11,090,224</b>	
<b>Earnings before interest, tax and depreciation/ amortisation (EBITDA)</b>	<b>(335,862)</b>	<b>74,222</b>	<b>48,603</b>	<b>32,357</b>	<b>30,719</b>	
<b>Depreciation / amortisation</b>						
Company Management / Support	5,471	9,068	31,554	31,554	31,554	
WBCG	0	405	-	-	-	
WRTM	14,583	14,583	14,583	-	-	
<b>Total Depreciation / amortisation</b>	<b>20,054</b>	<b>24,056</b>	<b>46,137</b>	<b>31,554</b>	<b>31,554</b>	
<b>Net Surplus (Deficit) before tax</b>	<b>(355,915)</b>	<b>50,166</b>	<b>2,466</b>	<b>803</b>	<b>(835)</b>	

We are budgeting a small profit in FY23 and breakeven positions for the remainder of the forecast period.

## 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
<b>CAPITAL</b>					
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)	(1,464,567)	(1,463,764)
Plus Current Year Operating Surplus/(Deficit)	(355,915)	50,166	2,466	803	(835)
<b>TOTAL CAPITAL FUNDS</b>	<b>182,868</b>	<b>1,489,968</b>	<b>1,492,434</b>	<b>1,493,237</b>	<b>1,492,402</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Prepayments	178,900	134,000	134,000	138,020	142,161
Accounts Receivable	310,270	546,549	580,998	489,899	556,047
Bank	1,080,452	2,860,008	2,164,346	1,774,955	1,639,844
GST Receivable / (Payable)	124,224	(195,267)	5,097	5,955	7,046
<b>TOTAL CURRENT ASSETS</b>	<b>1,693,846</b>	<b>3,345,289</b>	<b>2,884,441</b>	<b>2,408,829</b>	<b>2,345,099</b>
<b>NON-CURRENT ASSETS</b>					
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	150,132	150,132	150,132
<i>Accumulated Depreciation - IT equipment &amp; Office Furniture</i>	(9,992)	(34,043)	(41,546)	(73,100)	(104,654)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>23,591</b>	<b>73,010</b>	<b>108,586</b>	<b>77,032</b>	<b>45,478</b>
<b>TOTAL ASSETS</b>	<b>1,717,438</b>	<b>3,418,299</b>	<b>2,993,028</b>	<b>2,485,861</b>	<b>2,390,577</b>
<b>LESS CURRENT LIABILITIES</b>					
Accounts Payable	1,451,670	1,848,330	1,415,383	902,141	806,150
Accounts Payable Accrual	35,000	35,000	32,173	33,138	34,132
Employee Benefits	47,900	45,000	53,038	57,345	57,893
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,534,570</b>	<b>1,928,330</b>	<b>1,500,594</b>	<b>992,624</b>	<b>898,175</b>
<b>NET ASSETS</b>	<b>182,868</b>	<b>1,489,969</b>	<b>1,492,434</b>	<b>1,493,237</b>	<b>1,492,402</b>

## Statement of Cashflows

<b>Co-Lab</b>		<b>COLAB</b>			
<b>Statement of Cashflows</b>		<b>BETTER TOGETHER</b>			
<b>for the forecast financial years ended 30 June 2022-2024</b>					
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	
<b>Cashflows from Operating Activities</b>					
Interest Received	500	2,000	2,060	2,122	
Receipts from Other Revenue	11,937,767	11,583,503	9,887,012	11,052,672	
Payments to Suppliers	(11,183,608)	(11,999,086)	(10,277,605)	(11,188,813)	
Taxes Paid	0	0	0	0	
Goods & Services tax (net)	(94,596)	(200,365)	(858)	(1,091)	
<b>Net cash from operating activities</b>	<b>660,063</b>	<b>(613,947)</b>	<b>(389,392)</b>	<b>(135,110)</b>	
<b>Cashflows from Investing Activities</b>					
Capital enhancements	0	0	0	0	
Purchase of PPE	(13,408)	(81,714)	0	0	
Purchase of investments	0	0	0	0	
<b>Net cash from investing activities</b>	<b>(13,408)</b>	<b>(81,714)</b>	<b>0</b>	<b>0</b>	
<b>Net increase in cash, cash equivalents and bank accounts</b>					
	646,655	(695,661)	(389,392)	(135,110)	
Opening cash and cash equivalents and bank overdrafts	433,797	2,860,008	2,164,346	1,774,955	
<b>Closing cash, cash equivalents and bank accounts</b>	<b>1,080,452</b>	<b>2,164,346</b>	<b>1,774,955</b>	<b>1,639,844</b>	
<b>Summary of Bank Accounts</b>					
BNZ - Call a/c	1,080,452	2,164,346	1,774,955	1,639,844	
<b>Closing Balance of Bank</b>	<b>1,080,452</b>	<b>2,164,346</b>	<b>1,774,955</b>	<b>1,639,844</b>	

## Appendix I: What we do - current activities

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

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

### 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.

### Co-Lab 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.

### **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 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.

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 Geospatial Services**

Co-Lab hosts geospatial tools on behalf of the councils. The Waikato Data Portal is a platform through which councils make their geospatial datasets available to the public. Waikato One View brings data sets together from multiple councils and through a web map viewer allows the public to see key spatial information across the region.

### **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)**

WRIP is focussed on encouraging collaboration between 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 initially 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. Joint procurement can bring contract savings through economies of scale, but also has the benefits of 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.

## 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:** A622186

**Report To:** Council



**Meeting Date:** 26 July 2022

**Subject:** Adoption of Statement of Intent 2022/2023 for Inframax Construction Limited

**Type:** Decision Required

## Purpose of Report

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

## Background

- 2.1 Section 64 of Local Government Act 2002 (LGA 2002) requires the board of all council-controlled organisations (CCO) to deliver a draft SoI on or before 1 March in the preceding financial year to which the draft statement of intent relates.
- 2.2 Council received draft SoI from ICL within the statutory deadline of the 1 March. The draft SoI was presented to Council on the 29 March 2022.
- 2.3 Council resolved the draft SoI be received and that no changes are suggested to the draft Statement of Intent for the year ending 30 June 2023.
- 2.4 Section 64 of LGA 2002 also requires the board of all CCOs to deliver a completed SoI to the shareholders before the commencement of the financial year to which it relates.
- 2.5 Changes to the Local Government Act 2002 that came into effect on 22 October 2019 requires Council to:

*"Each shareholding local authority must publish the adopted statement of intent on an Internet site maintained by or on behalf of the local authority within 1 month of adopting it, and must maintain the statement on that site for a period of no less than 7 years."*

## Commentary

- 3.1 ICL has delivered completed SoI for the 2022/2023 financial prior to the commencement of the 2022/2023 Financial Year.
- 3.2 ICL Board have adopted and delivered a SoI that is consistent with the draft SoI presented to Council on the 29 March 2022.
- 3.3 The performance measures and targets have been updated to reflect the changed economic climate and operational matters.
- 3.4 The Equity Ratio has decreased from a target of 60% to 49%, Earnings before Interest, Tax, Depreciation and Amortisation has been increased from \$2.6m to \$3.0m and the Revenue forecast has been increased from \$35m to \$43m.
- 3.5 There has been no change to the non-financial performance targets.

**Considerations**4.1 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

4.2 The decision to adopt the SoI 2021 as presented will be consistent with Council's understanding of the future plans of ICL and its objectives for the CCO.

4.3 **SIGNIFICANCE AND COMMUNITY VIEWS**

4.4 The SoI 2021 is aligned to ICL's constitution and plans and forecasts discussed with the Council previously and is generally aligned with the expectations of Council from its shareholding. Therefore the decision is not considered to require public engagement as per Council's Significance and Engagement Policy.

**Suggested Resolutions**

- 1 The business paper on Adoption of Statement of Intent 2022/2023 for Inframax Construction Limited be received.
- 2 Council adopt the Statement of Intent for Inframax Construction Limited.
- 3 That the Statements of Intent for Inframax Construction Limited be published on Council's website.



ALISTER DUNCAN  
**GENERAL MANAGER - BUSINESS SUPPORT**

Attachment: Statement of Intent – Inframax Construction Limited (A622188)

**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.

	30 June 23	30 June 24	30 June 25
<b>6.1 Equity Ratio</b> Shareholders Funds expressed as a % of Total Assets	49%	50%	51%
<b>6.2 Current Ratio</b> Current Assets expressed as a % of Current Liabilities	Positive	Positive	Positive
<b>6.3 EBITDA</b> Earnings Before Interest, Tax, Depreciation and Amortisation	\$3.0m	\$3.1m	\$3.2m
<b>6.4 Revenue</b> Revenue Targets	\$43m	\$44m	\$45m
<b>6.5 Bank Covenants</b> As agreed with the Bank from time to time	Met	Met	Met

## 7.0 NON-FINANCIAL PERFORMANCE MEASURES

### 7.1 Lost Time Injury Frequency Rate

The lost time injury frequency rate will measure the number of lost time injuries for year ending 30<sup>th</sup> June 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.

	<b>30 June 23</b>	<b>30 June 24</b>	<b>30 June 25</b>
<b>7.1 LTI Frequency Rate</b>	Zero	Zero	Zero
<b>7.2 ACC Weekly Compensation Days</b>	100	100	100
<b>7.3 ISO 9001 Accreditation</b>	Standard Achieved	Standard Achieved	Standard Achieved
<b>7.4 ISO 45001 Accreditation</b>	Standard Achieved	Standard Achieved	Standard Achieved
<b>7.5 Environmental Consent Compliance</b>	Full Compliance	Full Compliance	Full Compliance
<b>7.6 Number of Local Events Supported</b>	15 (Waitomo District 9, Other 6)	15 (Waitomo District 9, Other 6)	15 (Waitomo District 9, Other 6)

**8.0 DIVIDEND POLICY**

- 8.1** Subject to the Directors being satisfied as to the solvency of the Company, the meeting of its bank covenants and the integrity of its asset replacement and investment programme, the Company is committed to the provision of annual distributions to the Shareholder.
- 8.2** A dividend payment is not anticipated in the 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.

**Document No:** A622197**Report To: Council****Meeting Date:** 26 July 2022**Subject:** **Statement of Intent 2022/2023 for the Local Government Funding Agency Limited****Type:** Information Only**Purpose of Report**

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

**Background**

- 2.1 Section 64 of Local Government Act 2002 (LGA 2002) requires the board of all council-controlled organisations (CCO) to deliver a draft SoI on or before 1 March in the preceding financial year to which the draft statement of intent relates.
- 2.2 Council received draft SoI from LGFA within the statutory deadline of the 1 March. The draft SoI was presented to Council on the 29 March 2022.
- 2.3 Council resolved the draft SoI be received.
- 2.4 Section 64 of LGA 2002 also requires the board of all CCOs to deliver a completed SoI to the shareholders before the commencement of the financial year to which it relates.

**Commentary**

- 3.1 LGFA has delivered a completed SoI for the 2022/2023 financial prior to the commencement of the 2022/2023 Financial Year.
- 3.2 LGFA Board adopted and delivered a SoI that is consistent with the draft SoI presented to Council on the 29 March 2022.
- 3.3 The performance measures from the Final SoI 2023 have been included in the tables below with the measures from the draft SoI 2023 for comparative purposes, changes have been highlighted.

**Governance, capacity and business practice**

Measure	Draft SoI 2023	Final 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	\$18.3 million	<b>\$12.2 million</b>
Annual Issuance and Operating Expenses	\$8.3 million	<b>\$9.4 million</b>

### Optimising financial services for local government

Measure	Draft SoI 2023	Final SoI 2023
Market Share	80%	80%
Total Lending to Participating Borrowers	At Least \$14,558 million	At Least \$15,004 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	Draft SoI 2023	Final SoI 2023
Comply with the Health and Safety at Work Act 2015	No breaches	No breaches
Maintain Toitu Carbon Zero certification	Certification maintained	Certification maintained
Meet carbon reduction targets	100% of targets met	100% of targets met
Increase Green, Social & Sustainable loans	Two new participating borrowers	Two new participating borrowers
Annual Report complies with applicable GRI Standards	100% compliant	100% compliant
Meet all mandatory climate reporting standards	100% compliant	100% compliant

### Effective management of loans

Measure	Draft SoI 2023	Final SoI 2023
Review Participating Borrowers financial position	100% of Participating Borrowers	100% of Participating Borrowers
Meet Participating Borrowers annually	100% of Participating Borrowers	100% of Participating Borrowers

<b>Suggested Resolutions</b>
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- 1 The business paper on Statement of Intent 2022/2023 for Local Government Funding Agency Limited be received.
- 2 Council note the Statement of Intent for the Local Government Funding Agency.



ALISTER DUNCAN

**GENERAL MANAGER BUSINESS SUPPORT**

Attachments:

1. Statement of Intent 2022 – Local Government Funding Agency (A622199)
2. Letter to Shareholders to accompany the Statement of Intent 2022 -2025 (A622198)

30 June 2022

Dear LGFA stakeholder

### Statement of Intent 2022-2025

Please find attached the Statement of Intent (SOI) for the 2022-25 period.

LGFA remains focused on delivering strong results for 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 and
- Enhancing our approach to treasury and risk management.

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

- 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.
- There is a forecast reduction in Net Operating Income compared to prior years. This is due to a lower forecast Net Interest Income arising from
  - A larger amount of liquid assets held in our Liquid Assets Portfolio (“LAP”) financed through issuing long term debt.
  - Markets are pricing in a substantial tightening in monetary policy over the next two years. This has resulted in the widening of the spread between the Official Cash Rate (“OCR”) and 3-month bank bills yields (“BKBM”) to the widest levels on record. This has a negative impact on LGFA as we hold a large LAP that contains sizeable holdings of cash investments that receive the OCR as interest but we have borrowed for longer tenors with the borrowing rate set from the BKBM yield.
  - LGFA issues fixed rate bonds and then swaps the proceeds into a floating rate borrowing cost using interest rate swaps (“IRS”). We swap the bond proceeds into floating rate as most councils borrow from LGFA on a floating rate basis. Our swap positions with the New Zealand Debt Management (“NZDM”) are collateralised and as interest rates rise, we have an unrealised loss on our swaps positions. The swap



losses are offset by the unrealised gains on our fixed rate bond issuance but the bond issues are not collateralised. While the swaps loss is unrealised, we do have to provide collateral or increase the NZDM liquidity facility size. Both options come at a financial cost but we have no choice as we need to provide councils with the flexibility of borrowing on a floating or fixed rate basis.

- Our average term of borrowing is 1 year longer than our average term of lending to councils. This is a conservative approach to minimising risk and ensuring that LGFA has sufficient cash available to lend to councils at times of market distress but it has a financial cost.
- We have increased the base on-lending margin by 5 bps to 20 bps (0.20%) for new borrowing effective 1 July 2022. This is to ensure the LGFA balance sheet remains strong to ensure we maintain a similar credit rating to the New Zealand Government and to maintain the confidence of our investor base.
- There remains some uncertainty within the SOI forecasts relating to the amount of both council loans and LGFA bonds outstanding as this depends upon the magnitude and timing of council borrowing. We have based our forecasts on the Long-Term Plans (“LTPs”) of our seventy-five council and CCO members and the LTPs forecast a significant increase in borrowing in each of the next three years. The actual amount of borrowing will be influenced by the ability of councils to deliver on the capex projections in their LTPs as well as the amount of Central Government assistance in funded capex delivery.
- The Three Waters Reform programme has assumed the establishment of the four new Water Services Entities (“WSE”) will take place on 1 July 2024. This is the start of the 2024-25 financial year and is the final year of this SOI forecast period. At this point in time we are unsure as to
  - Any role by LGFA in lending to the WSEs once they have been established
  - How the transition of debt and assets between the councils and WSEs will occur and
  - The borrowing behaviour by councils ahead of the 1 July 2024 transition date.

The changes made to the Final SOI compared to the Draft SOI that you received in February 2022 for comment have been

- As noted above, we have increased the base on-lending margin by 5 bps to a new margin of 20 bps (0.20%) for new borrowing effective 1 July 2022.
- Net Interest Income has decreased in the 2022-23, 2023-24 and 2024-25 financial years by \$6.0 million, \$2.4 million and \$1.8 million.
- Expenses have increased by \$1 million in each of the three forecast years due to a higher forecast utilisation of the NZDM standby facility and increased IT and consultancy costs relating to Three Waters Reform and sustainability initiatives.
- Forecast Net Operating Profit has reduced by \$7.1 million (2022-23), \$3.6 million (2023-24) and \$3 million (2024-25).

We remain committed to delivering the lowest possible borrowing cost to the sector, providing certainty of access to funding and long dated tenors to councils while at the same time protecting the interests of our guarantors and shareholders.

We thank you for your support of LGFA and please feel free to contact me if you have any questions or require further clarification on anything relating to the SOI or LGFA in general.

Yours sincerely

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

Mark Butcher  
Chief Executive



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



# Statement of Intent

2022 – 2025

## 1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2022 to 30 June 2025. LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

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

## 2. Nature and scope of activities

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

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

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

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

## 3. Our purpose Ta tatou kaupapa

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

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

## 4. Our values Ō mātau uara

**We act with integrity**

**E pono ana mātau**

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

**We are customer focused**

**E arotahi ana mātau ki te kiritaki**

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

**We strive for excellence**

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

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

**We provide leadership**

**He kaiārahi mātau**

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

**We are innovative**

**He auaha mātau**

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

## 5. Foundation objectives

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

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

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

## 6. Strategic priorities

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

### Governance, capability and business practice

LGFA is committed to best practice corporate governance to ensure its long-term sustainability and success.

### Optimising financing services for local government

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

### Environmental and social responsibility

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

### Effective management of loans

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

### Industry leadership and engagement

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

## 7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2022-2025.

The financial performance targets are focused on the 2022-2023 year and, as applicable, are based on the financial forecasts outlined in section 8.

## Governance, capability and business practice

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

Performance targets	2022-2023 target
Comply with the Shareholder Foundation Polices and the Board-approved Treasury Policy at all times.	No breaches
Maintain LGFA's credit rating equal to the New Zealand Government's sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
LGFA's total operating income for the period to 30 June 2023.	> \$12.2 million
LGFA's total operating expenses for the period to 30 June 2023.	< \$9.4 million

## Optimising financing services for local government

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

Performance targets	2022-2023 target
Share of aggregate long-term debt funding to the Local Government sector.	> 80%
Total lending to Participating Borrowers.	> \$15,004 million
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%

## Environmental and social responsibility

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

Performance targets	2022-2023 target
Comply with the Health and Safety at Work Act 2015	No breaches
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.
Increase our GSS lending book	Two new participating borrowers enter into GSS loans.
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%
Meet all mandatory climate reporting standards.	100%

## Effective management of loans

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

Performance targets	2022-2023 target
Review each participating borrower's financial position under LGFA policies.	100%
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%

## 7. Industry leadership and engagement

Objectives	How we measure our performance
LGFA will:	
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues.
Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.	
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	

## 8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2025 are:

Comprehensive income \$m	Jun 23	Jun 24	Jun 25
Net Interest income	10.9	16.1	15.4
Other operating income	1.3	1.3	1.3
<b>Total operating income</b>	<b>12.2</b>	<b>17.4</b>	<b>16.7</b>
Approved Issuer Levy	0.8	0.3	0.3
Issuance & onlending costs	3.7	3.8	3.9
Operating overhead	4.9	5.1	5.4
<b>Issuance and operating expenses</b>	<b>9.4</b>	<b>9.2</b>	<b>9.6</b>
<b>Net operating profit</b>	<b>2.8</b>	<b>8.2</b>	<b>7.1</b>
Financial position (nominals) \$m	Jun 23	Jun 24	Jun 25
Liquid assets portfolio	2,005	1,821	1,997
Loans to local government	15,004	15,995	16,650
Other assets	-	-	-
<b>Total assets</b>	<b>17,009</b>	<b>17,815</b>	<b>18,647</b>
Bonds on issue (ex Treasury stock)	16,050	16,802	17,583
Bills on issue	500	500	500
Borrower notes	313	348	377
Other liabilities	-	-	-
<b>Total liabilities</b>	<b>16,863</b>	<b>17,650</b>	<b>18,460</b>
Capital	25	25	25
Retained earnings	82	90	96
Dividend	(1)	(1)	(1)
<b>Shareholder equity</b>	<b>106</b>	<b>114</b>	<b>120</b>

Ratios	Jun 23	Jun 24	Jun 25
Liquid assets / funding liabilities	12.3%	10.6%	11.1%
Liquid assets / total assets	11.8%	10.2%	10.7%
Net interest margin	0.07%	0.10%	0.09%
Cost to income ratio	77.2%	53.3%	57.7%
Return on average assets	0.02%	0.05%	0.04%
Shareholder equity / total assets	0.6%	0.6%	0.6%
Shareholder equity + BN / total assets	2.5%	2.6%	2.7%
Asset growth	6.6%	4.7%	4.7%
Loan growth	7.8%	6.6%	4.1%
Return on equity	2.7%	7.6%	6.2%
Capital ratio	12.3%	13.0%	13.3%

The above forecasts assume a gross bond issuance programme of \$2.90 billion (FY23), \$2.93 billion (FY24) and \$2.80 billion (FY25) based upon term lending to councils of \$2.95 billion (FY23), \$2.78 billion (FY24) and \$2.70 billion (FY25)

Note there is a level of uncertainty regarding the financial forecasts for June 2024 and June 2025 due to the uncertainty relating to the Three Waters Reform and the impact on councils.

Councils prepared their 2021-31 Long Term Plans (and borrowing forecasts) on the assumption that Three Water Reform was not progressing and we have made the same assumption with our forecasts. LGFA projects it could have between \$4 to \$5 billion of loans to councils in June 2024 that are related to Three Waters. There have been no decisions made to date regarding the transfer of assets and liabilities from councils to the proposed Three Water entities.

Note that the forecast net operating profit is lower than previous years due to a projected fall in net interest income arising from

1. a larger holding of liquid assets (that provide a return lower than our cost of borrowing);
2. the cost of meeting collateral requirements on the interest rate swap positions used to hedge our bond issuance to provide floating rate lending to councils;
3. the cost from issuing bonds with an average term that is one year longer than our council lending; and
4. the cost from the introduction of green, social and sustainable loans to councils at a discounted loan margin.

Forecast issuance and operating expenses are higher than previous years, the key driver being an increase in the NZDM facility cost as a consequence of forecast collateral requirements.

We have increased the base lending margin to councils by 5 bps (to 20bps) from 1 July 2022 to partially offset some of the above costs.

## 9. Dividend policy

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

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

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

## 10. Governance

### Board

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

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

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

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

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

### Shareholders' Council

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

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

## 11. Information to be provided to Shareholders

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

### Annual Report

The LGFA's balance date is 30 June.

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

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

### Half Yearly Report

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

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

### Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report.

The Quarterly Report will include the following information:

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

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

### Statement of Intent

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

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

### Shareholder Meetings

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

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

## 12. Acquisition / divestment policy

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

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

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

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

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

## 14. Commercial value of Shareholder's investment

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

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

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

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

## 15. Accounting policies

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

## Statement of accounting policies

### 1. Reporting entity

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

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

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

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

The financial statements are as at and for the year ended 30 June 2021.

These financial statements were authorised for issue by the Directors on 30 August 2021.

### 2. Statement of compliance

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

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

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

### 3. Basis of preparation

#### Measurement base

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

The financial statements are prepared on an accrual basis.

#### Functional and presentation currency

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

#### Foreign currency conversions

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

#### Changes in accounting policies

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

#### Financial instruments

##### Financial assets

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

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

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

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

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

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

### Financial liabilities

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

### Derivatives

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

### Fair value hedge

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

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

### Other assets

#### Property, plant and equipment

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

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

#### Intangible assets

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

### Other liabilities

#### Employee entitlements

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

### Revenue

#### Interest income

Interest income is accrued using the effective interest rate method.

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

### Expenses

Expenses are recognised in the period to which they relate.

#### Interest expense

Interest expense is accrued using the effective interest rate method.

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

#### Income tax

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

#### Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

### Segment reporting

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

### Judgements and estimations

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

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

The financial statements as at 30 June 2021 include estimates and judgements of the potential impact of COVID-19 and the Three Waters Reform Programme on LGFA's financial position and performance. Whilst there has been no material impact on the estimates and judgements at the date these financial statements are authorised, it is noted that there is significant uncertainty with regards to the medium and long-term effects of COVID-19, as well as the outcome of Three Waters Reform Programme on the local government sector.

**Document No:** A622913

**Report To: Council**



**Meeting Date:** 26 July 2022

**Subject: Progress Report: King Country Indoor Sport and Recreation Centre**

**Type:** Information Only

## Purpose of Report

- 1.1 The purpose of this business paper is to provide a progress report on the King Country Indoor Sport and Recreation Centre (KCISRC) project as at 16 July 2022.

## Background

- 2.1 The contract for the design and build of the KCISRC was awarded to Apollo Projects Limited on 14 October 2021 and commenced on 15 October 2021.
- 2.2 The overall contract build phase has a duration of approximately 14 months with completion due by 19 December 2022.
- 2.3 The total cost of the design/build phase is approximately \$8M. On top of that are additional fit-out costs, giving a total project cost of \$9.05M.
- 2.4 On completion, ownership of the new stadium will be shared between the Ministry of Education, Te Kuiti High School Board of Trustees, and Waitomo District Council in the ratios of 24.7%, 10.3%, and 65% respectively.
- 2.5 A "turning of the first sod" ceremony was held on 9 February 2022, following which site establishment and earthworks commenced.

## Commentary

- 3.1 **PROJECT BUILD UPDATE**
- 3.2 The build phase is tracking approximately 3 weeks behind programme due to delays in the supply date for some building materials, and the recent inclement weather. Approximately 150mm of rain has been recorded on site over the first 15 days of July. The contractor is hoping to make that time up with better progress on other construction items, particularly once the gymnasium roof is constructed and the build moves under cover.
- 3.3 The roof over the amenities area has been installed and interior timber framing commenced.



- 3.4 The gymnasium concrete floor was poured on 16 July 2022 and work has begun on installing purlins and girts to the roof structure



- 3.5 The carpark construction is well advanced with placement and shaping of basecourse to finish levels underway along with associated surface drainage (under review). The new entrance road is under construction.
- 3.6 Exterior framing work has been completed as has installation of steel framing for the gymnasium storeroom.

- 3.7 A Kairuru (Coordinator) has been appointed by a group of stakeholders led by Ngati Rora and including Mayor Robertson on behalf of WDC. The purpose of the role is to:
- Facilitate hui with mana whenua to appropriately name the stadium.
  - Provide opportunities to showcase our past and/or our future through localised artwork and design with a Māori narrative.
  - Provide opportunities to involve rangatahi in the project.
  - Engagement with artists.
  - Development and implementation of the plan and vision.
- 3.8 A plan for the cultural artwork has been drafted with it still to be costed. As noted previously, there will be a need for additional funding to implement the proposed artwork including signage for naming of the building. The current budget of \$30,000 for cultural identity features will mostly be used to fund the project coordination costs but will not be sufficient for the implementation phase. Discussions on possible opportunities for funding have been taken up with the Board of Trustees.
- 3.9 Additional to the final design for consenting purposes was MoE's staged design envelope approval process. A number of items were identified for possible inclusion in the final design, mainly in respect of building water tightness. Inclusion of the value-added requirements has triggered relatively modest variations to the contract.
- 3.10 Other variation claims under review relate to additional geotechnical requirements at a number of the building foundation pads. An independent assessment of the claim by a quantity surveyor has been completed. Similarly, a review of the stormwater drainage from the stadium is under way. The Development Agreement sets out the process for dealing with the processing and funding of variations.
- 3.11 **RISK MANAGEMENT**
- 3.12 The project Risk Register has been formatted to align with the project delivery programme and reviewed on a routine basis through an internal Project Control Group chaired by General Manager – Community Services. Risk controls and treatments are updated as part of the review process.
- 3.13 **STADIUM MANAGEMENT CONTRACT**
- 3.14 A request for tenders for the management of the stadium facility once construction has been completed was advertised on TenderLink on 1 July 2022. The management contract is for a period of 5 years with a right of renewal of two further discretionary terms of 5 years each. The closing date for tenders is 29 July 2022.
- 3.15 **FUNDING AND FINANCIAL MANAGEMENT**
- 3.16 All construction related funding has either been approved or novated to Council. Game on Charitable Trust has \$75,000 of general fund raising to complete the funding required for the fit out.
- 3.17 Council has received to date \$3,361,702 of the budgeted \$7,062,432 external funding. The second installment of the Crown Infrastructure Partners funding of \$155,086 is now available, a claim is being prepared for lodgment.
- 3.18 Total capital expenditure of \$4,583,019 has been expended to date.

3.19 Contracts let are tabled below:

<b>Contract</b>	<b>Original Value</b>	<b>Variations</b>	<b>Total</b>
Apollo	7,905,921		<b>7,847,001</b>
Less WW Pumping Station		-87,205	
Plus:			
- Basketball (adjustable junior backboard) and Futsal equipment		13,335	
- MoE design envelope recommendations (moisture barrier systems to walls and amenities roof)		14,950	
Lines Company	87,748		87,748
Frequency NZ (Project management)	146,860		146,860
<b>TOTAL</b>			<b>\$8,081,609</b>

3.20 **COMMUNICATIONS PLAN**

3.21 The Joint Communications Plan has been finalised and a dedicated WDC web page developed. The web page is being updated throughout the Stadium build phase, keeping the community informed of progress.

3.22 **PROJECT CONTROL GROUP (PCG)**

3.23 In accordance with the Development Agreement, a PCG has been formed comprising representatives of the Te Kuiti High School Principal, Ministry of Education, the Contractor, the Engineer (Frequency NZ) and WDC. Organising, reporting to, and chairing the PCG is the responsibility of the Project Manager. The purpose of the PCG is to monitor progress against project timetable and budget and to address matters of mutual interest.

3.24 The PCG meets on a monthly basis, with Council's representatives on the PCG being the Mayor, and the Client Representative.

**Suggested Resolution**

The business paper updating progress on the build phase of the King Country Indoor Sport and Recreation Centre be received.



HELEN BEEVER  
**GENERAL MANAGER – COMMUNITY SERVICES**



GREG BOYLE  
**SPECIAL PROJECTS COORDINATOR**

19 July 2022

**Document No:** A622885

**Report To: Council**



**Meeting Date:** 26 July 2022

**Subject:** **2021/2022 Annual Report on Waitomo District Council Dog Control Policy and Practices**

**Type:** Decision Required

### Purpose of Report

- 1.1 The purpose of this business paper is to present to Council for consideration and adoption the Waitomo District Council Dog Control Policy and Practices Report 2021/2022 ("the Report").

### Background

- 2.1 Section 10A of the Dog Control Act 1996 ("the Act") requires councils to report annually on the administration of its Dog Control Policy and Practices. This has been a requirement since the Act was amended in 2003.

### Commentary

- 3.1 Section 10A of the Act specifies the information that Council must include in its report in respect of each financial year as follows:
- "a) *the number of registered dogs in the territorial authority district:*
  - "b) *the number of probationary owners and disqualified owners in the territorial authority district:*
  - "c) *the number of dogs in the territorial authority district classified as dangerous under section 31 and the relevant provision under which the classification is made:*
  - "d) *the number of dogs in the territorial authority district classified as menacing under section 33A or section 33C and the relevant provision under which the classification is made:*
  - "e) *the number of infringement notices issued by the territorial authority:*
  - "f) *the number of dog related complaints received by the territorial authority in the previous year and the nature of those complaints:*
  - "g) *the number of prosecutions taken by the territorial authority under this Act."*
- 3.2 The Report addresses all the matters required by the Act.
- 3.3 Section 10A also specifies that Council must publically notify the Report within one month of adopting the report, publish the report online, and send a copy of it to the Secretary for Local Government.

**Considerations**4.1 **Risk**

4.2 There is no risk to Council in adopting this report.

4.3 **Significance and Community Views**

4.4 This is not a significant decision (in accordance with Council's Significance and Engagement Policy) and there is no requirement for Council to consider any affected persons. Providing the report to the Secretary of Local Government is an operational matter.

**Recommendation**

5.1 It is recommended that Council adopt the Report and give public notice as required by the Act.

**Suggested Resolutions**

- 1 The business paper on Annual Report on Waitomo District Council Dog Control Policy and Practices' be received.
- 2 Council adopt the Report on Waitomo District Council Dog Control Policy and Practices 2021/2022 (Doc A622885).



ALEX BELL  
**GENERAL MANAGER - STRATEGY AND ENVIRONMENT**

20 July 2022

Attachment: Report on Waitomo District Council Dog Control Policy and Practices 2021/2022 (Doc A622406)



**REPORT ON  
WAITOMO DISTRICT COUNCIL DOG CONTROL POLICY AND PRACTICES  
2020/2021**

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**TO:** The Secretary for Local Government  
**FROM:** Executive Assistant – Strategy and Environment  
**SUBJECT:** Report on Waitomo District Council Dog Control Policy and Practices - 2021/2022  
**DATE:** 19 July 2022

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<b>1 INTRODUCTION</b>
-----------------------

This is Waitomo District Council’s (WDC) annual report on Dog Control Policy and Practices for the period 1 July 2021 to 30 June 2022, as required by section 10A of the Dog Control Act 1996 (the Act).

<b>2 DOG CONTROL POLICY AND PRACTICES</b>
---

**2.1 Dog Control in the District**

The total number of active dogs on WDC’s Register at the end of the 2021/2022 registration year was 3,311, a decrease of 52 dogs from 2020/21.

WDC provides a twenty-four-hour Animal Control Service, with Animal Control Officers (“ACO”) covering this function during normal business hours. Any urgent animal control service requests received after-hours (including weekends and public holidays) are responded to by an after-hour’s contractor. Training is provided to the Contractors, with both providers working closely together on animal control matters.

WDC also maintains good working relationships with the local Police, veterinarians, and the Waikato SPCA.

WDC employs one full time ACO, a Compliance Administrator and one part-time ACO through its shared services arrangement with Waipa District Council.

The ACO works predominantly in the field, whilst the Compliance Administrator oversees the administration of the WDC Database, the National Dog Database (NDD), and the registration process.

WDC operates a Dog Pound in William Street, Te Kuiti. The Pound equipment is updated on an as needed basis.

This year, there was a decrease in the number of dogs impounded from the previous year. 92 dogs were impounded (compared to 116 in 2020/21), with 46 dogs returned to their owner, 20 dogs euthanized, and 26 re-homed.

The owners of impounded dogs are required to pay an impounding fee, as well as registration fees if the dog is unregistered, plus micro-chipping fees if applicable. In addition, sustenance fees are charged for each day the dog is in the pound.

Microchipping continues to be a key focus. It is noted that the Act requires dogs being registered for the first time to be chipped within two months of registration (with herding dogs exempt from the requirement) and classified dangerous and menacing dogs are also required to be microchipped.

Microchipping is carried out by the ACO who has the appropriate training to perform the task. Owners are charged a nominal fee of \$25 to cover costs.

The WDC Dog Control Bylaw was formally adopted in 2015 and due for review in December 2024.

## **2.2 Dog Control Enforcement Practices**

For this period, WDC received 253 dog control related complaints (319 in 2020/21) that required action.

WDC takes a pragmatic approach to enforcement, and generally attempts to educate dog owners in the first instance. For example, if a registered dog is picked up for a first wandering offence, the dog might be returned to the owner with a verbal warning, rather than impounding.

Complaints relating to wandering dogs numbered 120 this year, a decrease from the 2020/21 period (163). In addition, 63 complaints were received in relation to barking dogs (68 in 2020/21), and 13 complaints were received for rushing/aggression (17 in 2020/21). WDC works with complainants to identify and capture wandering dogs, sometimes using WDC owned cage traps if required.

In respect of barking complaints, most are resolved quickly once the owner is advised of the issue and has been provided advice on methods to resolve the issue. Where the issue is not resolved within a timely manner, an Abatement Notice is issued (as provided by the Act) and this has proven to be a useful tool in these circumstances. WDC has issued four barking Abatement Notices in this period (three issued in 2020/21).

WDC received 30 complaints related to attacks, rushing and/or aggressive dog incidents (46 in 2020/21). Each incident is investigated, and a report completed (including an attack rating assessment). Upon completion of the investigation and reporting, a decision is made (and recorded) as to what action is appropriate as per the requirements of the Act. Each incident is assessed on its merits on a case-by-case basis.

For this period, 58 (31 in 2020/21) Infringement Notices have been issued and have since either been paid by the Dog Owner or sent to the Court.

The Infringement Notices were issued as follows:

- 44 for breach of section 42 (failure to register dog);
- One for breach of section 52A (failure to keep dog controlled or confined); and
- 13 for breach of section 53(1) (failure to keep dog under control).

## **2.3 Dogs Prohibited, Leash Only and Dog Exercise Areas**

WDC's Policy requires all dogs to be on a leash in public places.

The Policy also identifies dog prohibited areas (i.e. sports grounds, children's playgrounds and schools), and dog exercise areas. Signs are installed as appropriate to advise the public.

#### **2.4 Dog Registration and Other Fees**

There were no changes to the Dog Registration fees for 2021/22.

Where dog owners have not registered their dogs within the required timeframe, these are followed up. The process involves an initial reminder letter and phone call / visit to the Owner. If dog owners continue to fail to register their dogs, the dog(s) are then seized and impounded. Dogs are only released from the pound once they are registered. If this approach is unsuccessful, dogs are seized and held until registered.

#### **2.5 Education**

WDC proactively engages in education for dog owners on a monthly basis by a range of mediums including the local newspaper, Waitomo Way (a council newsletter) and WDC's two Facebook pages (one dedicated to Animal Control).

#### **2.6 Disqualified and Probationary Dog Owners**

Waitomo District has three disqualified dog owners, and zero probationary owners.

#### **2.7 Menacing and Dangerous Dogs**

For this period, there are two dangerous dogs and 27 menacing dogs classified in the district out of a population of 3,311 dogs. Any new dog of a menacing breed/type is identified following registration, classified and referred for a compliance check.

In April 2017, WDC received funding from the Department of Internal Affairs (DIA) to run a Menacing Dog Campaign for the neutering of menacing dogs. As at 30 June 2021, 25 dogs have been neutered under this campaign (since the commencement in May 2017). The Campaign is ongoing while funding is available.

#### **2.8 Other Information**

Council requires owners of more than two dogs on any urban property to apply for a permit from Council. Upon application, the Dog Owner's property is inspected in accordance with the requirements of the Dog Control Bylaw. If the requirements are met, the permit is issued subject to any necessary conditions. A permit may be reviewed by WDC at any time and may be modified or revoked if any non-compliances with the permit are detected.

<b>3 STATISTICAL INFORMATION</b>
----------------------------------

Category	For period 1 July 2018 – 30 June 2019	For period 1 July 2019 – 30 June 2020	For period 1 July 2020 – 30 June 2021	For period 1 July 2021 – 30 June 2022
Total number of Registered Dogs	3,401	3,461	3,363	3,311
Total number of Probationary Owners	0	2	0	0
Total number of Disqualified Owners	1	1	3	3
Total number of Dangerous Dogs	0	2	2	2
▪ Dangerous by Owner Conviction Under s31(1)(a)	0	0	0	
▪ Dangerous by Sworn Evidence s31(1)(b)	0	0	0	
▪ Dangerous by Owner Admittance in Writing s31(1)(c)	0	2	2	2
Total number of Menacing Dogs	28	24	27	27
▪ Menacing under s33A(1)(b)(i) - i.e. by Behaviour	8	5	6	10
▪ Menacing under s33A(1)(b)(ii)- by Breed Characteristics	5	5	5	3
▪ Menacing under s33C(1) by Schedule 4 Breed	15	14	16	14
Total number of Infringement Notices (excluding cancelled)	48	19	31	62
Total number of prosecutions	0	1	2	1
Complaints received:				
▪ Aggressive	21	19	9	13
▪ Bins/Signs	0	0	0	0
▪ Bite/attack	39	27	29	30
▪ Barking	59	44	68	63
▪ Breach of Council Bylaw or permits	2	2	5	0
▪ Lost Dog/other	18	15	21	22
▪ Rushing in public place	2	6	8	0
▪ Unregistered	5	2	2	2
▪ Wandering	194	157	163	120
▪ Worrying animals	1	3	3	0
▪ No water, shelter, food or exercise	8	9	11	3
<b>Total Complaints Received</b>	<b>349</b>	<b>284</b>	<b>319</b>	<b>253</b>

*Note: Variations in reporting numbers on aggressive, bite/attacks and rushing between years can occur as a result of how service requests are coded.*

**Document No:** A623135

**Report To:** Council



**Meeting Date:** 26 July 2022

**Subject:** Adoption of the Waitomo District Council Provisional Local Alcohol Policy

**Type:** Decision Required

## Purpose of Report

- 1.1 The purpose of this business paper is to present the Waitomo District Council Provisional Local Alcohol Policy (PLAP) to Council for consideration and adoption so that it can be publicly notified in accordance with section 80 of the Sale and Supply Alcohol Act 2012 (the Act).

## Background

- 2.1 Section 75 of the Act allows Council to adopt a policy relating to the sale, supply, or consumption of alcohol within its district (or to 2 or all of those matters).
- 2.2 Content of the Policy:
- a) It must be consistent with the Act and general law.
  - b) It cannot authorise anything forbidden by the relevant district plan; however it can be more restrictive.
  - c) It may include any or all the following matters relating to licensing (and no others):
    1. location of licensed premises by reference to broad areas.
    2. location of licensed premises by reference to proximity to premises of a particular kind or kinds.
    3. location of licensed premises by reference to proximity to facilities of a particular kind or kinds.
    4. whether further licences (or licences of a particular kind or kinds) should be issued for premises in the district concerned, or any stated part of the district.
    5. maximum trading hours.
    6. the issue of licences, or licences of a particular kind or kinds, subject to discretionary conditions.
    7. one-way door restrictions.

Note – these restrictions do not apply to special licences.
  - d) A local alcohol policy must not include policies on any matter not relating to licensing.
- 2.3 The PLAP was subject to an appeals process which resulted in amendments to the Policy. The Alcohol Regulatory and Licensing Authority issued a final decision in December 2015. The appeals were resolved and the PLAP was presented to the House of Representatives in February 2016.
- 2.4 The LAP came into force in its entirety on 1 June 2016.
- 2.5 Section 97 of the Act states that the LAP must be reviewed every 6 years and can only be amended, replaced or revoked in accordance with the special consultative procedure under section 83 of Local Government Act 2002 (LGA). Therefore, Council is required to review the LAP this year (2022).

- 2.6 After producing a draft policy under section 78, a territorial authority continues to wish to have a local alcohol policy, it must produce a provisional policy by using the special consultative procedure to consult on the draft policy.
- 2.7 The PLAP must be publicly notified and for any appeals, the only ground on which an element of the provisional policy can be appealed against is that it is unreasonable in the light of the object of the Act.

### Commentary

- 3.1 At the Council Workshop on 12 April 2022, elected members were presented with the track changed Draft Policy on Local Alcohol. A report from the Waikato District Health Board for the Waitomo District Alcohol related ED presentations was also included.
- 3.2 The report highlighted for Waitomo District residents the highest incidence of presentations are from Saturday night and the 18-24 age group is the most at risk. No suggested changes were made in relation to the report findings from the Medical Officer of Health.
- 3.3 No substantial amendments to the LAP were proposed. However, the following minor edits were made:
- Sections covering Introduction, Overview and Objective incorporated into a separate Introduction section and the Purpose and Scope section.
  - Transferred the policy into the new Council policy template.
  - Replaced the District map including more placenames.
- 3.4 Attached for Council's information is a copy of the draft Provisional Local Alcohol Policy (refer **Attachment 1**).
- 3.5 The special consultative period for the draft LAP ran from 3 June to 1 July 2022. We did not receive any submissions during this time.
- 3.6 Public notice of the PLAP must be given in accordance with Section 80 of the Act.
- 3.7 Only those who have submitted on the draft LAP may appeal against the PLAP, as well as the Medical Officer of Health and Police. Any appeals would be dealt with by way of a public hearing.
- 3.8 If there is no appeal against the PLAP, then the LAP can be adopted 30 days after its public notification.

### Analysis of Options

- 4.1 **OPTIONS**
- 4.2 The reasonably practicable options related to the adoption of the LAP are:
- Option 1: Adopt the Provisional LAP for consultation (recommended).
- Option 2: Revoke the current LAP.
- 4.3 Option 1, if approved, would require Council to issue public notification of the Provisional LAP to be undertaken as outlined below.
- 4.4 Staff do not recommend Option 2 as there would be no local input into licensing of premises selling alcohol.

### Considerations

- 5.1 **RISK**
- 5.2 If the LAP is not reviewed this year, it would no longer meet the legislative requirements as specified in the Act.

5.3 **PUBLIC NOTIFICATION**

5.4 The LAP can only be adopted after the PLAP has gone through public notification in accordance with Section 80 of the Act.

5.5 Public notice must be given of;

- a) the provisional policy; and
- b) rights of appeal against it; and
- c) ground on which an appeal may be made.

5.6 The proposed timeframes for the public notice, appeals, and adoption are set out below.

<b>Timeframes for appeals and adoption</b>	
<b>Council Meeting Adopt Provisional LAP</b>	26 July 2022
<b>Public notification of Provisional LAP</b>	27 July 2022
<b>End of Appeals period (30 days)</b>	26 August 2022
<b>Council Meeting Adopt the Final Policy (if no appeals)</b>	30 August 2022

**Recommendation**

6.1 Council adopts the PLAP for public notification.

**Suggested Resolutions**

- 1 The business paper on "Adoption of the Waitomo District Council Provisional Local Alcohol Policy" be received.
- 2 Council adopts the Waitomo District Council Provisional Local Alcohol Policy for public notification on 27 July 2022.



CHARMAINE ELLERY  
**MANAGER STRATEGY AND POLICY**



ALEX BELL  
**GENERAL MANAGER – STRATEGY AND ENVIRONMENT**

20 July 2022

Attachment: Provisional Local Alcohol Policy (A623126)

**DRAFT**

**Waitomo District Council**  
**Provisional Local Alcohol**  
**Policy**

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<b>First Adopted:</b>	10 October 2013 (provisional), 1 June 2016 (came into effect)
<b>Review History:</b>	2015, 2022
<b>Date of Next Review:</b>	2028
<b>Responsibility:</b>	GM Strategy and Environment
<b>Adopted by:</b>	Council 28 July 2015 (Amended)

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## INTRODUCTION | KUPU ARATAKI

### ~~(a) Background and Objectives of the Sale and Supply of Alcohol Act 2012~~

~~(i)~~ The Sale and Supply of Alcohol Act (the Act) was enacted by Parliament in December 2012. The Act allows for territorial authorities to have local alcohol policies however this not a requirement of the Act.

~~(ii)~~ The object of the Sale and Supply of Alcohol Act is that:

*'The sale, supply, and consumption of alcohol should be undertaken safely and responsibly; and the harm caused by the excessive or inappropriate consumption of alcohol should be minimised.'*

~~(iii)~~ This Local Alcohol Policy (LAP) has been developed pursuant to section 75 of the Sale and Supply of Alcohol Act 2012, which empowers territorial authorities to develop Local Alcohol Policies for their District.

~~(iv)~~ The Sale and Supply of Alcohol Act (the Act) outlines what content a territorial authority may include in their LAP.

- ~~a.~~ Section 77 of the Act outlines what policies may be included in a LAP. No other policies except those listed under that section can be included in a LAP.
- ~~b.~~ Section 78 of the Act lists the matters a local authority must have regard to when producing a draft policy.
- ~~c.~~ In addition a territorial authority must not produce a draft policy without having consulted the Police, licensing inspectors, and Medical Officers of Health.
- ~~d.~~ Section 93 of the Act allows a LAP to contain a policy more restrictive than the relevant district plan, but a LAP policy cannot authorise anything forbidden by the relevant district plan.

~~(v)(i)~~ This LAP is intended to set a clear framework which will be applied to all applications for on, off, club and special licences, temporary authorities and managers certificates within the Waitomo District.

~~(vi)(i)~~ The Waitomo District is that area illustrated in figure two.

### ~~(b)(a) Authority Statements and Case Law~~

~~(i)~~ The Waitomo District Licensing Committee shall give all due regard to any statement issued by the Alcohol Regulatory and Licensing Authority pursuant to section 176 of the Act when interpreting this policy and determining licence applications, and to any relevant decisions issued by the Authority.

## PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. 2.0 — Objective of the Local Alcohol Policy The purpose of this policy is to:

- The objective of this policy is to balance the reasonable needs of the residents of Waitomo District regarding the sale, supply and consumption of alcohol.
- , while addressing the statutory requirements of the Sale and Supply of Alcohol Act 2012.
- including the object of the Act to minimise the harm caused by excessive or inappropriate consumption of alcohol.

2. This policy LAP is intended to set a clear framework which will be applied to all applications for on, off, club and special licences, temporary authorities and managers certificates within the Waitomo District.

3. The Sale and Supply of Alcohol Act (the Act) outlines what content a territorial authority may include in their LAP.

- a. Section 77 of the Act outlines what policies may be included in a LAP. No other policies except those listed under that section can be included in a LAP.
- b. Section 78 of the Act lists the matters a local authority must have regard to when producing a draft policy.
- c. In addition a territorial authority must not produce a draft policy without having consulted the Police, licensing inspectors, and Medical Officers of Health.
- d. Section 93 of the Act allows a LAP to contain a policy more restrictive than the relevant district plan, but a LAP policy cannot authorise anything forbidden by the relevant district plan.

4. The policy applies to the Waitomo District is that area illustrated in figure two.

5. Authority Statements and Case Law

The Waitomo District is that area illustrated in figure two.

Authority Statements and Case Law

- (i) The Waitomo District Licensing Committee shall give all due regard to any statement issued by the Alcohol Regulatory and Licensing Authority pursuant to section 176 of the Act when interpreting this policy and determining licence applications, and to any relevant decisions issued by the Authority.

## DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

<b>Authorised customer</b>	Shall have the same meaning as in section 60(3) of the Act
<b>Café</b>	Shall have the same meaning as "restaurant" in section 5 of the Act
<b>Club</b>	Shall have the same meaning as in section 21 of the Act.
<b>District Licensing Committee</b>	Means the Waitomo District Licensing Committee under section 186 of the Act
<b>Early childcare facility</b>	Includes any crèche, childcare centre, kindergarten, kohanga reo play centre or plunket rooms or any other place (excluding a school) where five or more children receive care or education Local Government Act 2002.
<b>Facility</b>	Includes a place of worship, school or early childcare facility
<b>Hotel</b>	Shall have the same meaning as in section 5 of the Act

<b>Large scale event</b>	Means an event to which section 143 of the Act applies.
<b>New Premises</b>	Applying to on-licence, off-licence and/or club-licence means any premises which has not been subject to a liquor licence of the same kind in the 12 months immediately prior to the application.
<b>Off-licence</b>	Shall have the same meaning as in section 17 of the Act
<b>One-way door restriction</b>	Shall have the same meaning as in section 5 of the Act
<b>On-licence</b>	Allows sale, supply and consumption of alcohol on premise as defined by section 14 of the Act.
<b>Outdoor dining area</b>	Means an area of a premises holding an on-licence or club licence that is outside of the building and includes any part of a public footpath, pavement or other public place.
<b>Place of worship</b>	Shall have the same meaning as in section 5 of the Act
<b>Prohibited persons</b>	Are persons to whom alcohol cannot be served including minors and intoxicated persons and in the case of clubs any person who is not an authorised customer
<b>Public park</b>	Means any park, reserve, playground, garden or similar public place maintained by the Local Authority for recreation purposes
<b>Restaurant</b>	Shall have the same meaning as in section 5 of the Act
<b>School</b>	Includes any primary, intermediate or secondary school and any kura kaupapa
<b>Special Licence</b>	Means the type of licence detailed in section 22 of the Act.
<b>Tavern</b>	Shall have the same meaning as in section 5 of the Act
<b>Temporary Authority</b>	Shall have the same meaning as in section 5 of the Act
<b>The Act</b>	Means the Sale and Supply of Alcohol Act 2012

## POLICY | KAUPAPA HERE

### 1. Specific Policies - On-Licences

#### (a) Introduction

- (i) An on-licence premise is one where consumption of alcohol is authorised on the premises from which it is sold. Common examples include hotels, taverns and restaurants.
- (ii) Section 14 of the Act states:

*"On any premises an on-licence (other than an on-licence endorsed under section 37 of the Act) is held for, the licensee—*

*(a) Can sell and supply alcohol for consumption there; and  
Can let people consume alcohol".*

(iii) Policies relating to on-licences also apply to:

- a. BYO restaurants (endorsed under section 37 of the Act)
- b. Caterers (endorsed under section 38 of the Act)

**(b) Location of premises holding on-licences by reference to broad areas**

(i) On-licences for new premises shall be limited to areas zoned Business under the Waitomo District Plan unless authorised by resource consent, and then subject to the following policies (c),(d),(e),(f),(g) and (h).

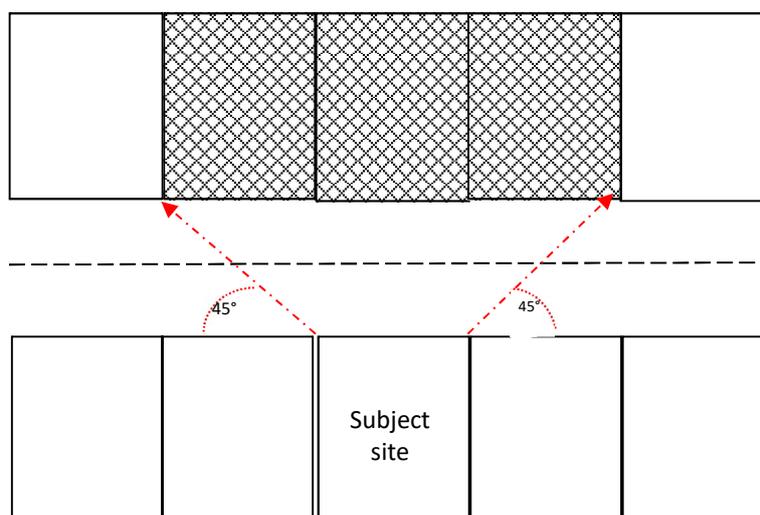
**(c) Location of premises holding on-licences by reference to proximity to premises of a particular kind or kinds**

(i) When considering a licence application for new premises the District Licensing Committee will have regard to the proximity of that proposed premise to other licensed premises where it considers this relevant.

**(d) Location of premises holding on-licences by reference to proximity to facilities of a particular kind or kinds**

- (i) In addition to (b) above, an on-licence will not be issued in respect of any new premises on any site where it directly borders any school, early childcare facility, or place of worship existing at the time the premises is established. "Directly borders" includes across any road from such facility, within a 45° arc as shown in figure one.
- (ii) In cases where a resource consent has been issued to locate a premises in a non-commercial area as allowed in (b) above, the boundary of the site shall be a minimum of 40 metres from the boundary of any school, early childcare facility, or place of worship existing at the time the premises is established.
- (iii) Renewal of a licence shall be unaffected should a school, early childcare facility, or place of worship later move to a site which borders an existing licensed premise.

**Figure One:**



**(e) Further issuing of on-licences in the District**

- (i) This policy does not cap the number of on-licence premises or restrict the issue of new licences, provided the other policy criteria are met.

**(f) Maximum trading hours for premises holding on-licences**

- (i) No on-licence shall be issued or renewed for any hotel or tavern premises with hours that exceed the following (subject to sections 46 and 47 of the Act):
  - a. Monday to Sunday 9:00am to 2:00am the following day.
  - b. In the case of hotels, alcohol may be sold or supplied at any time to any guest residing on the premises.
- (ii) Where a new hotel, tavern or other premises where the principal activity is the consumption of alcohol is proposed within 100 metres of any area zoned residential in the Waitomo District Plan, hours will not exceed the following:
  - a. Sunday to Thursday 9:00am to 10.30pm,
  - b. Friday and Saturday 9.00am to 12.00 midnight,
  - c. In the case of hotels, alcohol may be sold or supplied at anytime to any guest residing on the premises.
- (iii) No on-licence shall be issued or renewed in respect of any restaurant or café premises with hours that exceed the following (subject to sections 46 and 47 of the Act):
  - a. Monday to Sunday 9.00am to 12.00 midnight.
- (iv) Any outdoor dining area will not have hours that exceed 9.00am to 11.00pm. Outside of these hours the Public Places Liquor Control Bylaw restrictions shall apply to any premise within a liquor ban area.
- (v) Any function centre or other premises not defined above will be subject to hours at the District Licensing Committee discretion but shall not exceed:
  - a. Monday to Sunday 9:00am to 2:00am the following day.

**(g) Discretionary conditions of on-licences**

- (i) In accordance with section 110(1) and 117 the District Licensing Committee may impose discretionary conditions (in addition to those required by section 110(2)). These may include conditions related to the following, or any other reasonable condition:
  - a. Prohibited persons
  - b. Management of premises
  - c. People or kinds of people to be served
  - d. Low and non-alcoholic beverages
  - e. Transport options
  - f. Exclusion of the public

**(h) One-way door restrictions**

- (i) A one-way door restriction of one-hour prior to maximum closing time may be applied on Thursday, Friday and Saturday nights to any hotel or tavern premises with a midnight or later closing time.
- (ii) This condition may be applied to licences as they are issued or renewed.

## 2. Specific Policies - Off-Licence

### (a) Introduction

- (i) An off-licence premises is one where consumption of alcohol is authorised away from the premises on which it is sold. Common examples include supermarkets and bottle-stores.
- (ii) Section 17 of the Act states:

*"(1) On the premises an off-licence is held for, the licensee can sell alcohol for consumption somewhere else.*

*(2) While the premises an off-licence is held for are open for the sale of alcohol for consumption somewhere else, the licensee can also supply alcohol free, as a sample, for consumption on the premises."*

### (b) Location of premises holding off-licences by reference to broad areas

- (i) Off-licences for new premises (excluding remote sellers endorsed pursuant to section 40 of the Act) shall be limited to areas zoned Business under the Waitomo District Plan unless authorised by resource consent.

### (c) Location of premises holding off-licences by reference to proximity to premises of a particular kind or kinds

- (ii) When considering a licence application for a new premises, the District Licensing Committee will have regard to the proximity of that proposed premises to other off-licensed premises where it considers this relevant.
- (iii) Premises holding both an on-licence and off-licence shall ensure there is a separate point of sale and supply for the off licence if a totally separate area or premises is not practical.

### (d) Location of premises holding off-licences by reference to proximity to facilities of a particular kind or kinds

- (i) Within the Business zone, an off-licence will not be issued in respect of any premises not currently licensed where the site directly borders any school, early childcare facility or place of worship existing at the time the premises are established or when resource consent is applied for (whichever is earliest) unless it can be demonstrated to the reasonable satisfaction of the District Licensing Committee that the hours, alcohol related signage or operation of the premises as they relate to alcohol sales will not have a significant impact on those facilities. "Directly borders" includes across any road from such facility as shown in figure one.
- (ii) Provided the Applicant demonstrates how the outcomes listed in 4.0(g) will be achieved the following shall be considered to have no significant impact:
  - The hours of an off-licence where there is no external display of alcohol advertising; and
  - The operation of an off-licence where the licensee implements an ID 25 policy.
- (iii) Renewal of a licence shall be unaffected simply on the grounds that:
  - a. such a facility later moves to a site which borders an existing licensed premises; or
  - b. the facility already bordered the existing licensed premises.

- (iv) When forming an opinion on amenity and good order, in relation to a new off-licence premises being licensed for the first time, the District Licensing Committee shall have regard to the proximity to a public park or reserve particularly where that park or reserve is within a liquor ban area prescribed by a bylaw and, if necessary, impose conditions set out in element 4.0(g).

**Advice Note:**

For the purposes of 4.0(d)(i) "business zone" means business land zoned in the Waitomo District Plan (or subsequent District Plan) at the time of the relevant off-licence application is determined.

**(e) Further issuing of off-licences in the District**

- (i) This policy does not cap the number of off-licence premises or restrict the issue of new licences, provided the other policy criteria are met.

**(f) Maximum trading hours for premises holding off-licences**

- (i) No off-licence shall be issued or renewed with trading hours that exceed Monday to Sunday 7.00am to 10.00pm (subject to section 48).

**(g) Discretionary conditions of off-licences**

- (i) In accordance with sections 116(1) and 117 the District Licensing Committee may impose discretionary conditions in relation to the following matters (in addition to those required by section 116(2)) or any other reasonable condition:
- a. Prohibited persons
  - b. People or kinds of people to be served
  - c. Kinds of alcohol to be sold
  - d. Display of nationally consistent safe drinking messages and material
  - e. Application of Crime Prevention Through Environmental Design (CPTED) principles to achieve the following outcomes:

**Closed-circuit television (CCTV)**

- CCTV being installed in suitable locations to monitor vulnerable areas (areas which are not easily or not continuously monitored by staff).
- Customers being made aware of the CCTV systems.

**Lighting**

- Internal lighting inside the premises to enable passive surveillance by staff and active surveillance by CCTV.
- Lighting to allow customers to be seen as they enter the premises.
- Lighting to allow staff to check identification.
- External areas such as car parks and loading bays being well lit, subject to the requirements of any resource consent or a district plan rule.

**Internal Layout**

- General points of sale to be positioned near the main entrance.

**Staff**

- Relevant staff understanding how to operate the CCTV system.
  - There being sufficient numbers of staff to ensure control of the premises during trading hours.
- f. At least 50% of any store front glazing shall be transparent, consistent with CPTED guidelines and no more than 30% of the external area of any side of the premises may contain alcohol related signage or advertising, excluding the company name.
  - g. External signage must comply with the signage requirements outlined in the Waitomo District Council District Plan.

### 3. Specific Policies – Club-Licence

#### (a) Introduction

(i) A club is a body corporate having as its object (or as one of its objects) participating in or promoting a sport or other recreational activity, otherwise than for gain; or is a body corporate whose object is not for gain; or holds permanent club charter.

(ii) Section 21 of the Act states:

“On the premises a club-licence is held for, the licensee can sell and supply alcohol to authorised customers (within the meaning of section 60(3)), for consumption there.”

“authorised customer, in relation to premises a club-licence is held for, means a person who—

- (a) is a member of the club concerned; or
- (b) is on the premises at the invitation of, and is accompanied by, a member of the club concerned; or
- (c) is an authorised visitor”

#### (b) Location of premises holding club-licences by reference to broad areas

(i) New licensed club premises should be in close proximity to the sports grounds or other facilities used by the club, if relevant.

#### (c) Location of premises holding club-licences by reference to proximity to premises of a particular kind or kinds

(i) When considering an application for a club licence for new premises, the District Licensing Committee will have regard to the proximity of the proposed new premises to any other licensed premises.

#### (d) Location of premises holding club-licences by reference to proximity to facilities of a particular kind or kinds

(i) When considering an application for a club licence for new premises, the District Licensing Committee will have regard to the proximity of the proposed new premises to any school, early childcare facility, place of worship or residential area.

#### (e) Further issuing of club-licences in the District

(i) This policy does not cap the number of club licence premises or restrict the issue of new licences, provided the other policy criteria are met.

#### (f) Maximum trading hours for premises holding club-licences

(i) The District Licensing Committee will have regard to the days and hours of operation and the type of activities undertaken by the club in setting club hours.

(ii) No club-licence shall be issued or renewed with hours that exceed the following:

- a. Monday to Sunday 9.00am to 1.00am the following day (Subject to section 46 of the Act)

**(g) Discretionary conditions of club-licences**

- (i) In accordance with section 110(1) of the Act the District Licensing Committee may impose discretionary conditions regarding the following matters, in addition to those required by section 110(2):
  - a. Prohibited persons
  - b. Management of premises
  - c. People or kinds of people to be served
  - d. Low and none alcoholic beverages
  - e. Transport options
  - f. Exclusion of the public

**(h) One-way door restrictions relating to club-licences**

- (i) The District Licensing Committee may impose a one-way door condition on any licence where it believes this is warranted. The one-way door restriction shall not apply any earlier than two hours before the normal closing time of the premises.
- (ii) This condition may be added to a licence at the time of issue or renewal.

**4. Specific Policies - Special Licences****(a) Introduction**

- (i) Special licences allow the sale and consumption of alcohol at events or occasions on premises that are unlicensed, or premises that would be outside their normal licence conditions. They can permit on site or off site sales, and are in force for the date and time of the event only.
- (ii) "Event includes an occasion and a gathering, and any of a series of events".

**(b) Maximum trading hours for premises holding special licences**

- (i) Special licences for premises that are not otherwise licensed will not be issued beyond 1.00am except in exceptional circumstances as determined by the District Licensing Committee.
- (ii) Where the applicant for a special licence already holds an on-licence, off-licence or club licence with the maximum hours permitted for that type of licence under this policy, a special licence with greater hours will only be issued in exceptional circumstances as determined by the District Licensing Committee.

**(c) Discretionary conditions of special licences**

- (i) In accordance with sections 146 and 147(1) the District Licensing Committee may impose discretionary conditions regarding the following matters, in addition to those required by section 147(3):
  - a. Sale and supply to prohibited persons
  - b. People or kinds of people to be served
  - c. The kind or kinds of alcohol that may be sold or delivered
  - d. The provision of food for consumption on the premises
  - e. The provision of low and non-alcoholic beverages
  - f. The provision of information relating to transport options
  - g. Exclusion of the public
  - h. Restricting the types of containers used for sale or supply
  - i. The filing of returns
  - j. Conditions of a kind subject to which a licence may be issued under section 110 (on or club licence) or 116 (off licence)
  - k. Any reasonable condition not inconsistent with the Act.

**(d) One-way door restrictions**

- (i) The licensing committee may impose a one-way door condition on any licence where it believes this is warranted. The one-way door restriction shall not apply any earlier than two hours before the normal closing time of the premises, or in the case of a special licence no earlier than two hours prior to the conclusion of the event.

**5. Temporary Authorities**

- 5.1. All temporary authority applications will be passed to the Police to give them an opportunity to inquire into the application.
- 5.2. Pursuant to section 136(4)(c) every temporary authority will be subject to a condition that no second or subsequent temporary authorities will be issued in respect of the same premises and licensee unless a full licence application has already been filed, or, in exceptional circumstances, with the prior approval of the Secretary of the Licensing Committee.

SCHEDULE 1 | MAP OF WAITOMO DISTRICT

