

Document No: A410549

Report To: Council



Meeting Date: 30 October 2018

Subject: Waikato Region Cycle Trails Network – Programme Business Case

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Waikato Regional Cycle Trails Network Programme Business Case to Council for consideration.

Background

- 2.1 Cycle trails attract local, national and international visitors who contribute to the regional economy.
- 2.2 Discussions regarding opportunities for regional cycle trail trusts, their partners and key stakeholders to collaborate and grow economic benefit across the Waikato region began in 2016. This was led by Waikato Regional Council.
- 2.3 The Waikato Regional Cycle Trails Network (WRCTN) was subsequently formed comprising representation from the Timber Trail, Hauraki Rail Trail, Waikato River Trails, Great Lakes Trail, Te Awa River Ride (and through them their key funding partners), Territorial Authorities, Waikato Regional Council, NZ Transport Agency, Hamilton and Waikato Tourism, Destination Coromandel and Destination Great Lake Taupo.
- 2.4 In 2017 WRCTN agreed to develop a Business Case for a regional network of trails. The focus – to grow economic benefits of increased visitors across the region by leveraging new and existing cycle trails investment.
- 2.5 It was agreed the Business Case should canvass all aspects of a cycle trail including the physical asset, local business and community involvement, and the capability and capacity required to deliver a great customer experience.
- 2.6 Co-funding was provided via Waikato Means Business, the Ministry of Business Innovation and Employment, and Waikato Regional Council to develop the Business Case.

Commentary

- 3.1 Development of trails across the region has accelerated during the past five years, however despite ongoing commitment from key stakeholders, completion and/or maintenance of existing trails and the development of new trails remains incremental and limited by funding and local capacity.

3.2 Programme Business Case

3.3 Attached to and forming part of this Business Paper is a copy of the Waikato Region Cycle Trails Network Programme Business Case.

3.4 The focus of the Business Case is to make the regions cycle trails the best they can be, functioning as a regional network. The customer experience front of mind.

3.5 The Business Case outlines a programme of delivery to be undertaken over the next 30 years, divided into three tranches.

3.6 Tranche 1 – Enhance and Extend Trails

- Achieve desired grade consistency and quality to deliver a safe and consistent experience.
- Agree a region-wide vision for the Waikato’s cycle trails, including physical network connections.

3.7 Tranche 2 – Grow Service Providers

- Identify business potential in local communities.
- Promote opportunities to invest in local cycle trail services.
- Help service providers get established and support them to deliver to an agreed customer experience.
- Grow local community support and engagement.

3.8 Tranche 3 – Develop Capability and Capacity

- Deepen understanding of customer experience and forecast market demand.
- Establish a region-wide approach to governance.
- Enable effective stakeholder relationships.
- Support quality marketing and product development.
- Leverage opportunities to achieve sustainable funding.
- Leverage opportunities to achieve sustainable trail governance and operations.

3.9 Key benefits as outlined in the Business Case include:

- Regional focus increases trail demand and economic activity in local communities.
 - More international, out-of-region and local visitors stay longer and spend more during their visit, leading to greater regional economic activity.
- Greater value for money on existing investment.
 - Cycle trails and communities develop capability and capacity to offer a wider variety of attractions and services, improve their visitor experience and broaden the potential market.
- Future investment into the cycle trails optimises regional benefits.
 - Future investment aligns to regional outcomes, enabling access to a broader range of funding opportunities. Decisions about trail investment are informed by how to maximise demand across the region.

3.10 Funding Considerations

- 3.11 The WRCTN is seeking endorsement of the Business Case from key stakeholders.
- 3.12 Should unanimous agreement be received, application to the Provincial Growth Fund and regional funders will be made to cover a significant proportion of the associated funding requirements through to 2020/2021. If successful, this will provide short-term funding and a strong platform from which to engage with stakeholders about longer-term funding opportunities.
- 3.13 It is recognised Councils have adopted their 2018-2028 Long Term Plans and will therefore have limited ability to contribute funding towards the WRCTN over the next 1-3 years. In the long-term however, it is envisaged WRCTN members will likely need to contribute a portion of the overall investment cost.

3.14 Capacity and Capability

- 3.15 The ongoing success of the WRCTN will be dependent on the capability and capacity of its personnel.
- 3.16 To deliver the Business Case work programme it is envisaged two new roles will be created. Staff will work closely with key-stakeholders including, but not limited to, Trail Managers, Iwi, Te Waka, Council staff, Regional Tourism Offices (RTO) and Central Government.
- 3.17 The potential for the Waikato Regional Economic Development Agency, Te Waka, to be the "home" for the regional Network entity has been informally discussed.
- 3.18 Trail Managers, Council and RTO staff will be actively involved in supporting implementation of the work programme. Input from WRCTN members will not necessarily require additional effort over and above current workloads as a key aspect of the WRCTN approach is to coordinate activity more effectively and leverage a region-wide approach.

3.19 Conclusion

- 3.20 The Programme Business Case has identified significant benefits for the region from cycle trail development.
- 3.21 As outlined above, the WRCTN is seeking endorsement of the Programme Business Case from key stakeholders.
- 3.22 Council's decision to endorse or not endorse this programme of work is sought.

Considerations

4.1 Risk

- 4.2 There is no identified risk in Council signaling its support of the Waikato Region Cycle Trails Network Programme Business Case.
- 4.3 The proposal aligns with Councils strategic goal of '*supporting the growth of the economy through strategic sustainable partnerships*'.

4.4 Consistency with Existing Plans and Policies

4.5 The consideration of the Waikato Region Cycle Trails Network Programme Business Case is undertaken in accordance with Councils existing plans and policies.

4.6 Significance and Community Views

4.7 This decision is not a significant decision in terms of Council's Significance and Engagement Policy.

Suggested Resolutions

- 1 The business paper on Waikato Region Cycle Trails Network – Programme Business Case be received.
- 2 Council endorses / does not endorse the Waikato Region Cycle Trails Network – Programme Business Case.



HELEN BEEVER

GROUP MANAGER – COMMUNITY SERVICES

October 2018

Attachment 1. Waikato Region Cycle Trails Network – Programme Business Case (A411284)

GROWING THE ECONOMIC BENEFITS OF INCREASED VISITORS ACROSS THE REGION BY LEVERAGING NEW AND EXISTING CYCLE TRAILS INVESTMENT

WAIKATO REGION CYCLE TRAILS NETWORK

PROGRAMME BUSINESS CASE

THE STORY SO FAR

The Waikato region supports and services four Great Rides: Hauraki Rail Trail, Timber Trail, Waikato River Trails and the Great Lakes Trail. Together with Te Awa River Ride, these trails are the focus of this programme business case.

Cycle trails attract local, national and international visitors who contribute to the regional economy through local spending. Cycle trail development across the Waikato region has accelerated in the past five years. However, despite committed and passionate investors and partners, completion of existing trails and the development of new trails remain incremental and are limited by funding and local capacity.

This business case considers all aspects of a cycle trail, from the physical asset, local business and community involvement, to the capability and capacity needed to deliver a great customer experience and attract new and returning visitors – both cyclists and other users.

The Waikato Regional Cycle Trails Network (WRCTN) members

Trail trusts Hauraki Rail Trail, Timber Trail, Waikato River Trails, Great Lakes Trail, Te Awa River Ride and their key funding partners, territorial authorities, Waikato Regional Council, Waikato Means Business, New Zealand Transport Agency, Hamilton & Waikato Tourism, Destination Coromandel and Destination Great Lake Taupō.

Key challenges facing the region's cycle trails

	Achieving the desired levels of trail quality and grade consistency
	Maintaining sufficient stakeholder support to operate and enhance the trails
	Achieving a sustainable financial model
	Sufficient service providers and services to meet customer demand and help grow trail use



Key benefits of a regional approach to establishing a formal cycle trail network in the Waikato

REGIONAL FOCUS INCREASES TRAIL DEMAND AND ECONOMIC ACTIVITY IN LOCAL COMMUNITIES

More international, out of region and local visitors stay longer and spend more during their visit, leading to greater regional economic activity.

GREATER VALUE FROM MONEY ON EXISTING INVESTMENT

Cycle trails and communities develop capability and capacity to offer a wider variety of attractions and services, improve the visitor experience and broaden the potential market.

FUTURE INVESTMENT INTO THE CYCLE TRAILS OPTIMISES REGIONAL BENEFITS

Future investment is aligned to regional outcomes, enabling access to a broader range of funding opportunities. Decisions about trail investment are informed by how to maximise demand across the region.

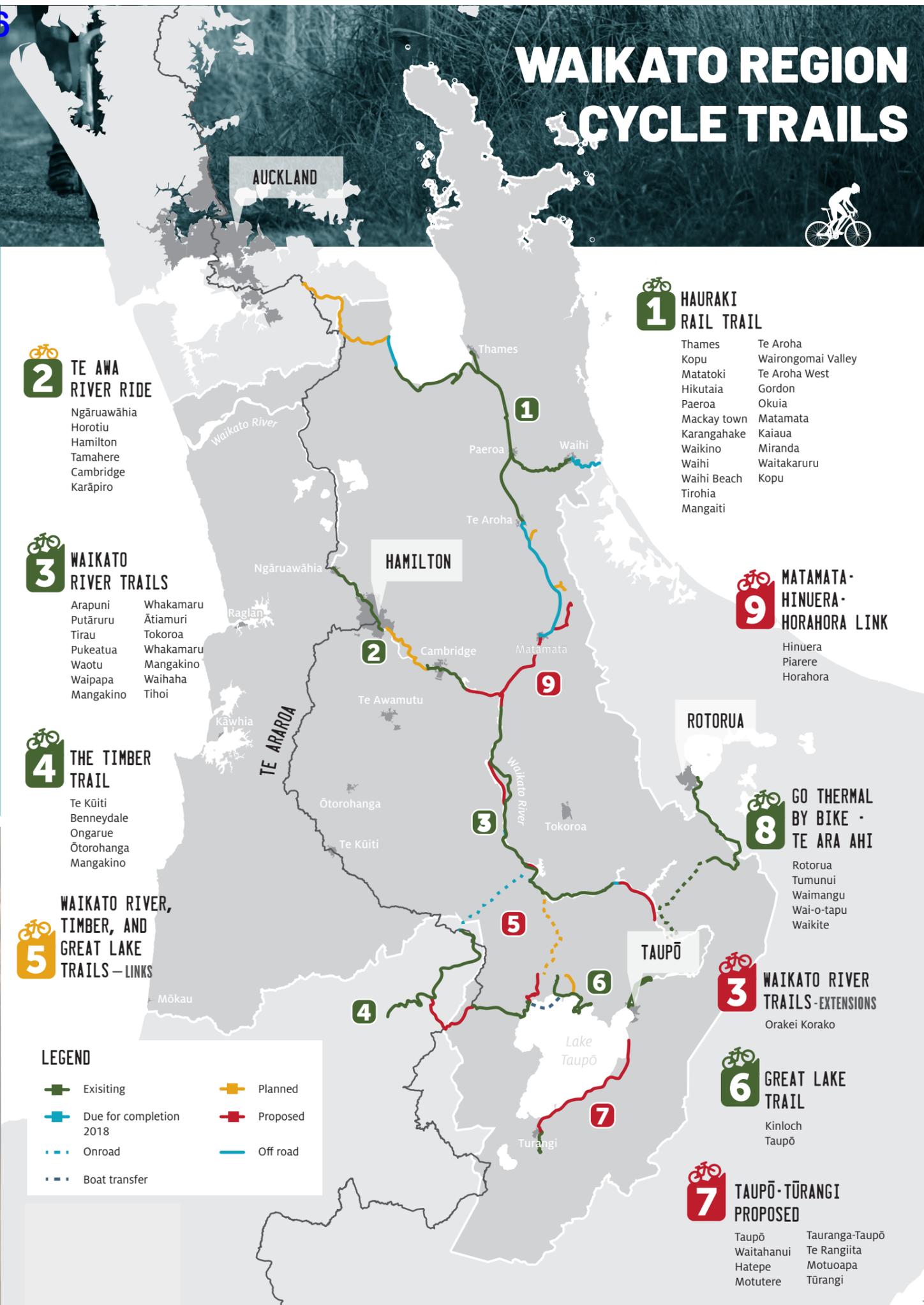
A REGIONAL APPROACH WOULD

grow visitors by 100,000 over 10 yrs

create 160 new jobs by 2029

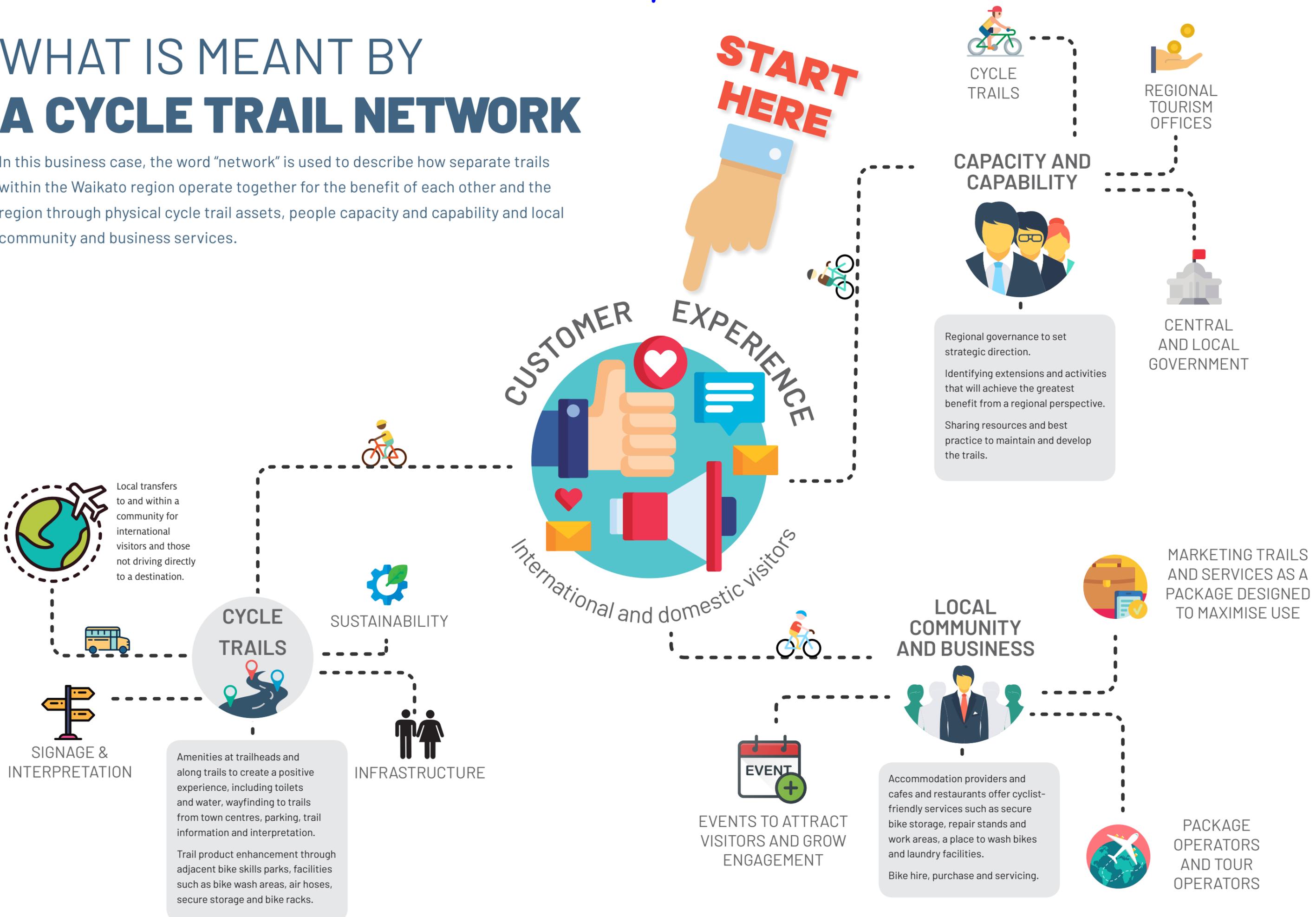


WAIKATO REGION CYCLE TRAILS



WHAT IS MEANT BY A CYCLE TRAIL NETWORK

In this business case, the word "network" is used to describe how separate trails within the Waikato region operate together for the benefit of each other and the region through physical cycle trail assets, people capacity and capability and local community and business services.



**START
HERE**

**CUSTOMER
EXPERIENCE**

International and domestic visitors

**CAPACITY AND
CAPABILITY**

Regional governance to set strategic direction.

Identifying extensions and activities that will achieve the greatest benefit from a regional perspective.

Sharing resources and best practice to maintain and develop the trails.

REGIONAL
TOURISM
OFFICES

CENTRAL
AND LOCAL
GOVERNMENT

Local transfers to and within a community for international visitors and those not driving directly to a destination.

**CYCLE
TRAILS**

SUSTAINABILITY

INFRASTRUCTURE

Amenities at trailheads and along trails to create a positive experience, including toilets and water, wayfinding to trails from town centres, parking, trail information and interpretation.

Trail product enhancement through adjacent bike skills parks, facilities such as bike wash areas, air hoses, secure storage and bike racks.

**LOCAL
COMMUNITY
AND BUSINESS**

Accommodation providers and cafes and restaurants offer cyclist-friendly services such as secure bike storage, repair stands and work areas, a place to wash bikes and laundry facilities.

Bike hire, purchase and servicing.

MARKETING TRAILS AND SERVICES AS A PACKAGE DESIGNED TO MAXIMISE USE

EVENTS TO ATTRACT VISITORS AND GROW ENGAGEMENT

PACKAGE OPERATORS AND TOUR OPERATORS

SIGNAGE & INTERPRETATION

What is required to achieve the trails network over 30 years, and what will investment achieve?

INTERVENTIONS

TRANCHE 1: ENHANCE AND EXTEND TRAILS

- Achieve desired grade consistency and quality to deliver a safe and consistent experience.
- Agree a region-wide vision for the Waikato's cycle trails, including physical network connections.

TRANCHE 2: GROW SERVICE PROVIDERS

- Identify business potential in local communities.
- Promote opportunities to invest in local cycle trail services.
- Help service providers get established and support them to deliver to an agreed customer experience.
- Grow local community support and engagement.

TRANCHE 3: DEVELOP CAPABILITY AND CAPACITY

- Deepen understanding of customer experience and forecast market demand.
- Establish a region-wide approach to governance.
- Enable effective stakeholder relationships.
- Support quality marketing and product development.
- Leverage opportunities to achieve sustainable funding.
- Leverage opportunities to achieve sustainable trail governance and operations.

BENEFITS

More international, out of region and local visitors stay longer and spend more during their visit.

CREATING JOBS THROUGH THE DESIGN, CONSTRUCTION AND MAINTENANCE OF THE REGION'S CYCLE TRAILS NETWORK.

Cycle trails and communities deliver greater value for money on existing investment.

CREATING A HIGH-QUALITY TOURISM ASSET:

- ENHANCING NEW ZEALAND'S COMPETITIVENESS AS A TOURISM DESTINATION
- PROVIDING ONGOING EMPLOYMENT AND ECONOMIC DEVELOPMENT OPPORTUNITIES FOR REGIONAL ECONOMIES.

Future investment into the cycle trails optimises regional benefits.

DELIVERING OTHER BENEFITS: RECREATIONAL, HEALTH, CULTURAL AND ENVIRONMENTAL.



SCENARIOS ASSESSMENT

SELECTING THE PREFERRED PROGRAMME

Scenarios were developed in close consultation with WRCTN using an iterative process of scenario assessment and cost benefit analysis. Analysis is over a 10-year time frame and is conservative.

The WRCTN members have determined the practical implications of each scenario below for visitors riding cycle trails and the community, and to analyse how the network would benefit local communities and the Waikato region.

Business as usual (BAU)

Represents the status quo option – WRCTN now. Fewer opportunities will be taken, and at a slower pace. Cycle trails continue to operate relatively independently of each other, with unrealised regional visitor growth and economic activity.

Incremental

Falls between the BAU and transformational scenarios.

Transformational

Delivers greater benefits, with more emphasis on engaging with and influencing stakeholders. Activities across the three tranches are more complex.

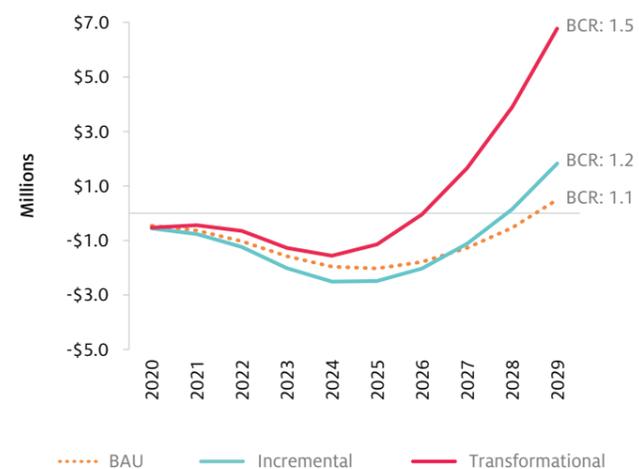
	BAU SCENARIO	INCREMENTAL SCENARIO	TRANSFORMATIONAL SCENARIO
Ability to deliver a comparative advantage for Waikato	Low	Low-moderate	Moderate-high
Increased visitors, length of stay and average daily spend	Low	Moderate	High
Regional economic development benefits	Low	Low-moderate	High
Financial cost of scenario	Low	Low-moderate	Moderate
Scenario constraints (local funding share and capacity and capability)	High	Moderate	Low

TRANSFORMATIONAL SCENARIO:

PREFERRED PROGRAMME

Value for money of existing and future investment is optimised through developing capability and capacity – meaning resources and expertise are freed up to focus on delivering a great cycle trail experience and growing economic activity in local communities.

This scenario costs more, but is fully fundable and achieves the highest benefit cost ratio (BCR), 1.5. The transformational scenario returns the largest net present value (NPV) (\$6.8 million) with the earliest break even (2026).



Cumulative NPV and BCR for each scenario

Compared to all other scenarios:

- More international and out of region visitors staying longer and spending more.
- Greatest amount of sustainable economic activity and job creation in local communities.
- Some large investment in local communities, including new accommodation and upgrades to key community infrastructure, and a significant increase in average daily spend.
- Significant development results in largest cycle trail network, with assets maintained to a higher standard.

IMPACT OF BENEFITS UNDER THE TRANSFORMATIONAL SCENARIO

Cycle trails increase economic activity in local communities

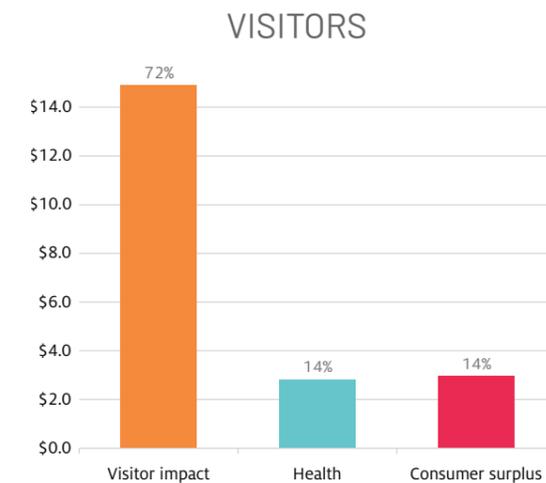
WRCTN will work closely with trail trusts, councils, regional tourism offices (RTOs) and Waikato Regional Economic Development Agency (REDA) to promote business opportunities in local communities and support the long term sustainability of new businesses. There is a drive to attract big ticket investment into the smaller towns (such as new accommodation) to achieve higher visitor spend and attract more non-cycling visitors.

Proactive focus on schools and communities to leverage the cycle trails for education purposes and establish community events, which in turn attracts visitors and increases demand.

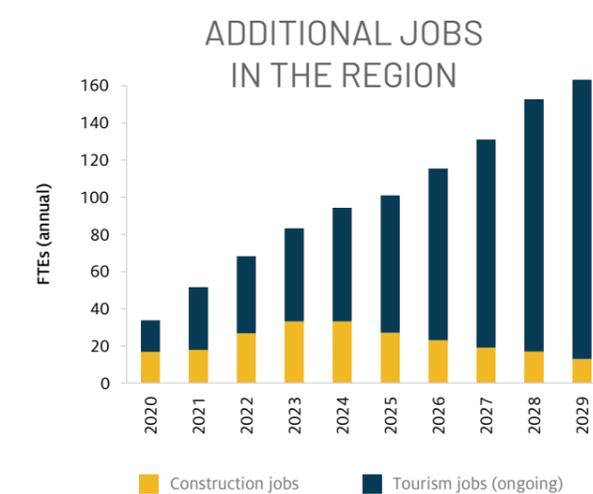
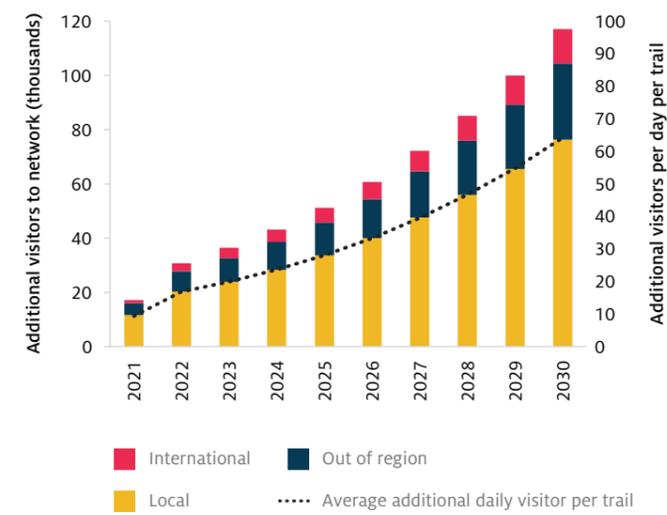
The physical network is expanded to maximise regional economic development, particularly in smaller communities where the cycle trails will have a significant impact on economic activity.

Cycle trails are good for our people and our environment

More local visitors to trails and greater focus on trails sharing best practice around biodiversity and sustainability achieve better outcomes for the environment. Visitors are able to learn about the Waikato's history, and experience its natural beauty and cultural heritage.

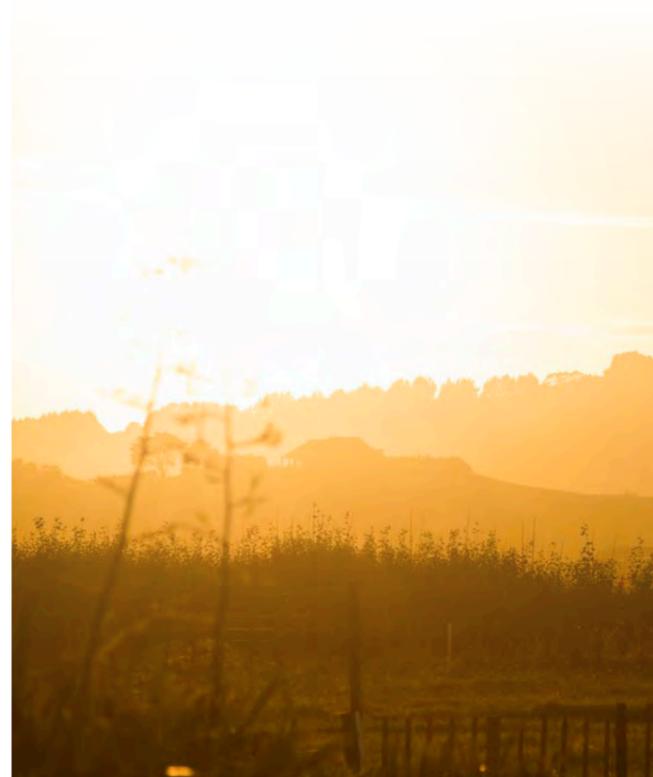


BREAKDOWN OF QUANTIFIED BENEFITS (OVER 10 YEARS)



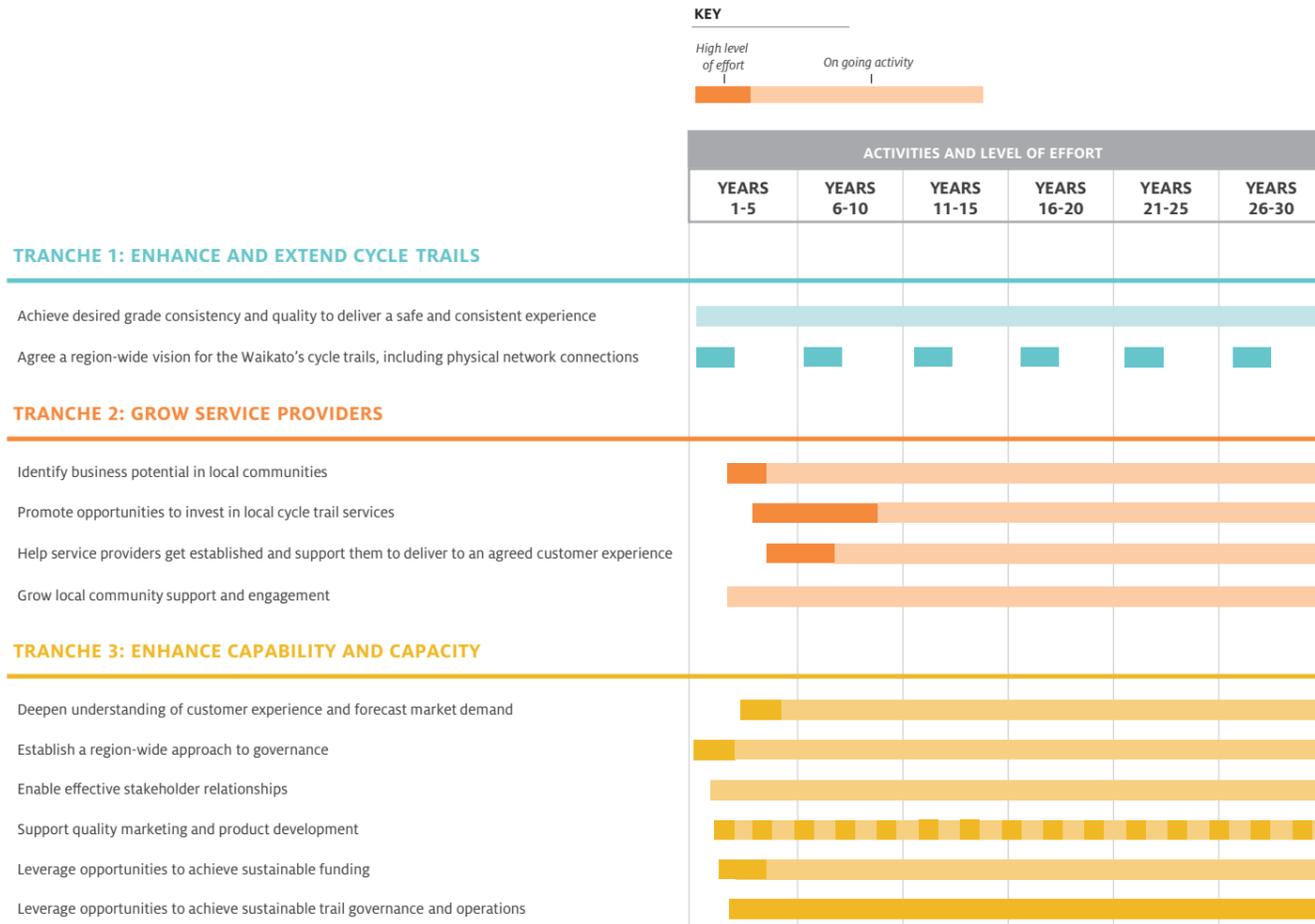
Assumption: by year 10

- average daily spend increases from \$215 to \$330
- approximately 50 per cent of multiday visitors stay for one night, 35 per cent for two nights and the remaining proportion (15 per cent) stay for three nights.



IMPLEMENTATION AND NEXT STEPS

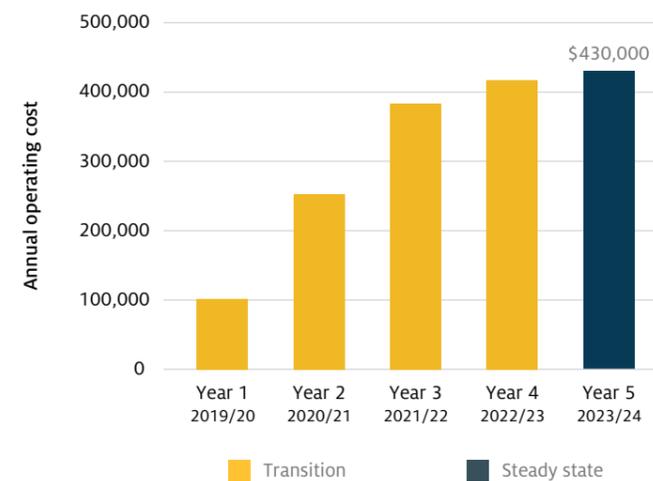
INDICATIVE WORK PROGRAMME



PEOPLE RESOURCES – CAPACITY AND CAPABILITY

The success of WRCTN will depend on the capability and capacity of its personnel. Two distinct roles are required: a programme lead and a senior advisor. They will need to deliver a large programme, working hand in glove with a diverse range of stakeholders – including, but not limited to, trail managers, iwi, Regional Economic Development Agency, council staff, regional tourism offices and central government. WRCTN members will have an important role in the success of the network. Trail managers, council and regional tourism offices staff will need to be actively involved in implementing the work programme.

INDICATIVE COST OF PREFERRED OPTION



POTENTIAL FUNDING ARRANGEMENTS

Alongside the Ngā Haerenga Enhancement and Extension and Managing Great Rides funds, possible funding options for WRCTN include, but are not limited to:

- funds administered by central government (e.g. the Provincial Growth Fund)
- funds administered by regional/local government (e.g. Waikato Regional Council's Regional Development Fund)
- funding contributions from WRCTN members and regional stakeholders, either as in-kind support or a cash contribution
- other donations and grants.

TRANSITION ARRANGEMENTS

The business case proposes a small transition team to undertake the bulk of the work necessary to establish the cycle trail network, with oversight provided by a transition board. The transition arrangements would be in place until WRCTN is operational (approximately six to eight months)

Further consultation required to agree funding arrangements

If WRCTN members support the business case, an early action will be to agree on funding arrangements. In the long term, WRCTN members will probably need to contribute at least a portion of the investment cost. In the short term, there is a potential issue with timing. Councils have adopted their 2018–2028 LTPs and may have limited ability to contribute funding WRCTN over the next three years.

The proposed approach is to apply to the Provincial Growth Fund and regional funders for a significant proportion of the funding requirements through to 2020/2021 (approximately \$0.737 million in total). If successful, this will provide short term funding and also an opportunity to engage with stakeholders about longer term funding opportunities.



HE TAI AO MAURIORA

HEALTHY ENVIRONMENT

HE ŌHANGA PAKARI

STRONG ECONOMY

HE HAPORI HIHIRI

VIBRANT COMMUNITIES

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Waikato

REGIONAL COUNCIL
Te Kaunihera ā Rohe o Waikato



Document No: A411172

Report To: Council



Meeting Date: 30 October 2018

Subject: **Annual Report 2017-2018 – Adoption**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Draft Annual Report 2017-2018 (Draft AR 2017) recommended by Council's Audit and Risk Committee for Council's consideration and adoption.

Background

- 2.1 The Draft AR encapsulates the financial and non financial performance of Waitomo District Council for the year ended 30 June 2018.
- 2.2 The Audit and Risk Committee (ARC) of Council received the Unaudited Interim Financials (IFR) for the year ended 30 June 2017 at its meeting on 29 August 2017 and the Unaudited Interim Non Financial Report was part of the agenda for the 26 September 2017 Council meeting.

Commentary

- 3.1 Council's auditor, Deloitte, has completed the audit of the Draft AR 2017 and attended the ARC meeting of 29 October 2018 to discuss the audit as well as present the Report to Council regarding the audit.
- 3.2 The ARC considered the Draft AR 2017 and the Report to Council on 29 October 2018. A copy of the business paper to the ARC on this matter is enclosed with this paper as Attachment 1. The Report to Council on the audit from Deloitte is also enclosed as Attachment 2.

Analysis of Options

- 4.1 Council has the option of adopting the Annual Report or requesting further information/changes from the ARC (which recommends the Annual Report to Council for adoption).
- 4.2 Council must adopt the Annual Report prior to 31 October 2018.

Considerations

5.1 Risk

- 5.2 The Draft AR 2017 has been audited and no issues have emerged from this audit. It has also been assessed by the Audit and Risk Committee of Council at a prior

meeting and matters raised at the ARC have been taken into account. Therefor the residual risk of misstatement is negligible.

- 5.3 If Council chooses not to adopt the Draft AR 2017 at this meeting, it will not be able to comply with the legislatively established timeframe for adoption of the Annual Report (within four months after the completion of the financial year).

5.4 Consistency with Existing Plans and Policies

- 5.5 This Draft Annual Report measures our performance against Year Three of the Long Term Plan 2015-2025. Nothing in the Draft AR 2017 is inconsistent with any existing plans and policies.

5.6 Significance and Community Views

- 5.7 The financial performance of Council in the past year is a significant matter to be shared with the District Community. The Annual Report and Summary Annual Report will be available on Council's website and in Council offices and library.

Recommendation

- 6.1 It is recommended that Council adopt the audited Annual Report 2017-2018. A copy of the Annual Report 2017-2018 is enclosed separately and forms part of this business paper.

Suggested Resolutions

- 1 The business paper on the Annual Report 2017-2018 – Adoption be received.
- 2 The Chief Executive be delegated authority to ensure any formatting/grammatical changes and feedback from the Audit and Risk Committee and Council is accurately reflected in the Final Annual Report 2016-2017 prior to publication.
- 3 The audited Annual Report 2017-2018 be adopted.

VIBHUTI CHOPRA
GROUP MANAGER – CORPORATE SERVICES

24 October 2018

Attachment 1: Audit & Risk Committee Business Paper (#A410571)

Attachment 2: Report to Council from Deloitte (#zA4730)

Separate Enclosure: Draft Annual Report 2017-2018 (#zA4732)

Document No: A410571

Report To: Audit and Risk Committee



Meeting Date: 29 October 2018

Subject: **Recommendation to Council: Adoption of Annual Report 2017/18**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the Draft Annual Report 2017-18 (Draft AR) for consideration and, subject to any amendments, to recommend this document to Council for adoption.

Background

- 2.1 The Draft AR shows the financial and non financial performance of Waitomo District Council for the year ended 30 June 2018.
- 2.2 ARC received the Unaudited Interim Financials (IFR) for the year ended 30 June 2018 at the 21 August 2018 ARC meeting and Council received the Unaudited Interim Non Financial Report at the 26 September 2018 Council meeting.
- 2.3 As well as presenting the Draft AR for the ARC's consideration this paper also provides a summary of significant changes since the IFR and commentaries on Council and Group results.
- 2.4 Council's auditors (Deloitte) will be in attendance at the ARC meeting to discuss the audit and to present the audit report.

Commentary

- 3.1 **Significant changes since the unaudited IFR**
- 3.2 The unaudited IFR was presented at 21 August ARC meeting, while the financial results and position were still in the process of being finalised. There have been subsequent changes to the results due to finalising the ledgers and the significant changes are discussed in section 3.3 to 3.9.
- 3.3 **Statement of Comprehensive Revenue and Expense**
- 3.4 Total revenue has decreased from \$32 million in the IFR to \$31.7 million in the Draft AR mainly as a result of the elimination of rates revenue on Council owned properties.
- 3.5 Total expenditure increased from \$26.9 million to \$27.5 million mainly as a result of additional depreciation and recognition of asset disposals on finalising the asset register. These were partly offset by the elimination of rates paid on Council owned properties and the decrease in landfill aftercare provision due to the dispensation granted from WRC to cease monitoring of four closed landfill sites. The dispensation was granted because it became clear during the year that leachates discharge from

the closed landfills have become inert and therefore monitoring obligations could be reduced.

3.6 As a result of these changes to expenses and revenue, the total surplus for the year has decreased from \$5.1 million in the IFR to \$4.2 million in the Draft AR.

3.7 The gain on revaluation on water, stormwater and wastewater assets of \$6.0 million and a gain on revaluation of the investment in ICL of \$7.3 million were recognised in other comprehensive revenue and expense. This, along with the changes to total surplus discussed in 3.4 and 3.5, increased the Total comprehensive revenue and expense from \$5.0 million to \$17.4 million.

3.8 **Statement of Financial Position**

Total assets increased from \$348.7 million to \$363.1 million as a result of

- revaluation of the investment in ICL \$7.3 million
- revaluation of property, plant and equipment \$6.0 million
- prior period adjustment for water, wastewater and stormwater assets that were excluded from the 2015 asset valuation for these classes \$2.0 million
- asset disposal recognised on finalising the ledger \$1.1 million

3.9 Total equity increased by \$14.4 million from the IFR as a result of:

- Increase in revaluation reserve as a result of the revaluation of property plant and equipment, prior period adjustment and transfers out of the reserve on asset disposal.
- An increase in surplus as detailed above.
- Increase in Other reserves as a result of the final reserve transfers and the increase in the Assets available for sale reserve from the gain on valuation of ICL investment.

3.10 **Draft 2017-18 Annual Report Highlights**

3.11 **Statement of Financial Performance (pg 60)**

3.12 The budget provided for a surplus of \$1.4 million. The actual result was a greater surplus of \$4.2 million. The main variances are detailed below.

3.13 **Revenue**

3.14 Revenue was \$0.9 million more than budget due to:

- Rates revenue was \$0.3 million less than budget. This was the result of excluding rates revenue on council owned properties.
- Subsidies and grants were \$0.2 million more than budget. NZTA subsidy was received for the LED street lights upgrade project.
- Fees and charges revenue was \$0.6 million more due to trade waste revenue and landfill disposal revenue being more than budget. Additional revenue was received for complex resource consent applications where costs associated with planning consultants were recovered from applicants.

- Other revenue including gains/(losses) was \$0.3 million more than budget due to gains on the sale of residential property, funding contribution received for Sir Colin Meads Public Memorial Service and a contribution received for Piopio Hall.

3.15 Expenditure was \$1.9 million less than budget due to:

- Finance costs were \$0.9 million less than budget due to a reduced public debt level than what was budgeted for and interest rates were less than anticipated at the time the budget was prepared.
- Depreciation was \$0.2 million less than budget as roading capital expenditure was less than budget and the Te Kuiti water treatment plant upgrade has yet to be completed.
- Other expenditure was \$0.7 million less than budget due to:
 - Rates paid on council owned property being excluded. The budget figure includes rates on council owned properties.
 - Repairs and maintenance costs were less than budget as this work is only carried out as required.
 - The budget for the District Plan Review workstream was not fully spent and will continue in the next financial year.
 - Reduced operations and maintenance costs for all sewerage schemes.

3.16 **Statement of Financial Position (pg 62)**

3.17 Total equity was \$14.7 million more than expected due to:

- The surplus was \$2.8 million more than budget.
- The revaluation reserve was \$0.1 million more than budget.
- The assets available for sale reserve increased by \$7.3 million due to the increase in value of the investment in Inframax Construction Ltd.
- Council created reserves were also \$10.1 million more than budget due to the surpluses arising from the various activities of Council and the transfer of debit reserves in the investment activity to accumulated funds.
- These increases were offset by the loss on cashflow hedges which was \$1.0 million more than budget.

3.18 Current assets were \$1.4 million more due to a higher level of cash and cash equivalents at balance date and the current portion of other financial assets. Receivables were also less than budget at 30 June 2018, as the budget was based on prior year actual trends which included one-off receivables.

3.19 Current liabilities were \$17.7 million more than budget due to a greater portion of borrowings being recognised as current than when the budget was prepared and a higher level of payables at balance date than was anticipated due to the timing of expenditure.

3.20 Non current assets were \$3.9 million more than expected due to the increase in the value of other financial assets from the valuation of Inframax Construction Ltd to \$11.8 million. This increase was partly offset by a lower value of property, plant and equipment than anticipated due to less capital expenditure being undertaken in the prior year and the revaluation uplift for roads assets in 2016/17 was less than anticipated.

- 3.21 Non current liabilities were \$27.1 million less than budget mainly due to a lesser portion of borrowings being recognised as non current than when the budget was prepared due to refinancing of borrowings during the year. Derivative financial instruments were also \$1.0 million more than expected.
- 3.22 Rates receivable decreased from \$3,842,000 outstanding at 30 June 2017 to \$3,784,000 outstanding at 30 June 2018 (a decrease of \$58,000).
- 3.23 Of the \$3,842,000 that was receivable for rates and penalties charged to 30 June 2017, this has now reduced to \$2,654,000 (a reduction of \$1.2 million). This represents the successful debt recovery actions implemented during the year.

	2017/18 \$000's	2016/17 \$000's	2015/16 \$000's
Rates receivable at 30 June 2017	3,842	3,969	3,973
Less cash received	(675)	(980)	(1,025)
Less remissions and RID amendments	(513)	(303)	(239)
Sub total	2,654	2,686	2,709
Plus current year rates outstanding	778	797	866
Plus current year penalties outstanding	347	354	393
Plus court costs charged	5	5	1
Rates receivable at 30 June 2018	3,784	3,842	3,969

3.24 Capital Expenditure

- 3.25 Total capital expenditure for the year ended 30 June 2018 was \$9.9 million against a budget of \$10.2 million.
- 3.26 Capital expenditure on Community Service assets was \$19K more than budget. Brook Park entrance upgrade was completed during the year. Remedial work of 47 Te Kumi Road property was completed to bring the property up to rentable standard. Installation of a new audio system was also completed at Piopio Hall. Expenditure was incurred for the Aquatic Centre canopy steel structure remedial work and the renewal of the bathroom facilities at the Les Munro Centre. The new Benneydale and Marokopa public toilets were completed.
- 3.27 Capital expenditure on Solid Waste assets was \$0.1 million less than budget. Work commenced on the resource consent application for the expansion of the landfill and this will continue in next year. No purchases of carbon credits were required during the year under the Emissions Trading Scheme. This budget will be carried over to the next financial year.
- 3.28 Capital expenditure on Stormwater assets were \$0.2 million less than budget. Waitete Road pipe work renewals has been planned for the following year along with the Taupiri St stormwater pipe rehabilitation.
- 3.29 Capital expenditure on Sewerage assets was \$71K more than budget. Expenditure at the Te Kuiti wastewater treatment plant has been for the sand filter removal and recommission, UV reactor and SCADA repairs, valve and pipe improvements for the sludge removal. Construction of the chemical bunded fill area and a storage shed was also completed. The Carroll Street sewer replacement under the railway line and sewer replacement under the river was also installed. Some of these projects were in the prior year budgets.
- 3.30 Capital expenditure was \$0.3 million less than budget for Roads assets as the unsealed road metaling was incomplete at end of financial year due to an excessively wet season. Likewise drainage renewals were also less than budget as

this activity is weather dependent. The road rehabilitation program consisted of road sections on Totoro and Rangitoto Roads. Some of the pavement rehabilitation work was included in the prior year. Emergency reinstatement capital expenditure was completed which involved removing slips and replacing washed out culverts from April 2017 storm event. LED street lighting upgrade work is nearing completion. This project was not budgeted separately and 85% funded from NZTA with the WDC component from street light maintenance traffic services renewal budget. Budgets for unspecified retaining wall renewals and road improvements not eligible for subsidy were not fully spent during the year.

- 3.31 Capital expenditure was \$0.5 million more than budget for Water Supply. Phase 2 of the Te Kuiti water treatment plant upgrade (raw water treatment structure) and phase 3 (refurbishment of the clarifier and site upgrade) were progressed during the year. Parts still to be completed are the installation of the intake structure, finalisation of the mechanical and electrical components and completion of the site security and landscaping. Some of these projects were included in prior years budgets. Mokau water reticulation renewals for Tainui Street and Aria Terrace will be carried out in the next financial year. Piopio reticulation renewals for installation of the Tui Street- State Highway 3 link and the water bridge at Kuritahi Street commenced and will be completed in the next financial year.

3.32 Borrowings

- 3.33 Council's Long Term Plan (LTP) provides annual forecasts for the levels of borrowings. The following table illustrates the trends in the level of borrowings over the last 3 financial years.

\$000's	30 June		
	2015/16	2016/17	2017/18
Borrowings			
Forecast Public Debt (LTPs)	52,834	54,628	53,645
Actual Public Debt	44,786	43,419	41,737
\$ Trend	-8,048	-11,209	-11,908
% Trend	-15.2%	-20.5%	-22.2
Capex	9,810	9,703	9,869

- 3.34 These trends show that actual borrowings have reduced to \$41.7 million at 30 June 2018 and are considerably less than forecast despite major capital investment of \$29.4 million over the last three years.
- 3.35 Council has continued to manage the funding of the capital works programme from subsidies and grants and available reserves and has also been reducing debt where possible.
- 3.36 **Group Balance Sheet**
- 3.37 At 30 June 2018 total equity for the Group was \$310 million. There was a \$12.3 million increase in equity reflecting net asset increase due to the Group's after tax profit of \$5.9 million.

- 3.38 Current assets increased by \$2.2 million mainly due to an increase in cash and cash equivalents, receivables and inventories.
- 3.39 Current liabilities increased by \$10.1 million due to an increase in the current portion of borrowings and payables.
- 3.40 Non current assets increased by \$9.0 million due mostly to an increase in property, plant and equipment.
- 3.41 Non current liabilities decreased by \$11.3 million due mainly to a decrease in non current borrowings.
- 3.42 **Statement of Service Performance (Key Performance Indicators)**
- 3.43 The Statements of Service Performance provide detailed information on the performance measures and targets for each of the significant activities. The performance summary is given on pages 20-21 of the Draft Annual Report with more detailed information disclosed within each activity on pages 22-56 of the Draft Annual Report.
- 3.44 Of the 81 key performance indicators measured, 72 (89%) (2017: 85%) were achieved and 9 (12%) (2017: 15%) were not achieved.
- 3.45 **Audit**
- 3.46 Auditors will be present at the meeting to report on the Audit process and present the Audit report. The Report to Council from the Auditors is enclosed separately as Enclosure 1 to this business paper.

Analysis of Options

- 4.1 ARC has the option of recommending the adoption of the Annual Report to Council or requesting further information/changes from its staff and auditors. Council must adopt the Annual Report prior to 31 October 2018.

Considerations

5.1 Risk

- 5.2 There is potential risk that some revenue included in the financial statements is subsequently not converted to cash or cash equivalents. The raising of invoices and recognition of income is carried out with management review and approval to minimise this risk. Debtors and other receivables are actively monitored and reviewed. The risk is also mitigated by the recognition of a provision for doubtful debt at 30 June 2018.
- 5.3 There is a risk that the accounting estimates and judgments used when performing valuations over assets may not reflect the assets actual condition or, the useful lives do not reflect the actual consumption of benefits of the asset. To minimise this risk, infrastructural asset valuations have been determined in reference to industry guidelines and adjusted for local conditions. Asset inspections, deterioration and condition modeling are also carried out as part of asset management planning.
- 5.4 There is a risk that the financial results and position stated within this report is materially different for those assets were not revalued at 30 June 2018. These

assets include road and solid waste assets. To minimise this risk, an assessment of the fair value of significant assets in between revaluation years has been completed by external valuers.

- 5.5 There is a risk that some financial assets may become impaired, but that the impairment amount is unknown. This will cause an over statement of carrying value of the asset in this report, that would subsequently need to be corrected in a later report.

5.6 Consistency with Existing Plans and Policies

- 5.7 This Annual Report measures our performance against Year Three of the Long Term Plan 2015-2025, and nothing in this Annual Report is inconsistent with existing plans and policies.

5.8 Significance and Community Views

- 5.9 The financial performance of Council in the past year is a significant matter to be shared with the District Community. The Annual Report and Summary Annual Report will be available on Council's website and in Council offices and library.

Recommendation

- 6.1 It is recommended that the 2017/18 Annual Report document be recommended to Council for adoption.
- 6.2 A copy of the Annual Report 2017/18 is enclosed separately and forms part of this business paper.

Suggested Resolutions

- 1 The business paper on Recommendation to Council: Adoption of Annual Report 2017/18 received.
- 2 The Audit and Risk Committee recommend the audited Annual Report 2017/18 be referred to Council for adoption.

Vibhuti

VIBHUTI CHOPRA
GROUP MANAGER – CORPORATE SERVICES

18 October 2018

Separate Enclosure 1: **Confidential:** Deloitte Report to the Council for the year ended 30 June 2018 (Doc No A411415)

Separate Enclosure 2: Draft Annual Report 2017/18 (Doc No A411376)

Document No: A410981

Report To: Council Meeting



Meeting Date: 30 October 2018

Subject: Adoption of the Communications Strategy

Purpose of Report

- 1.1 The purpose of this business paper is to present the Draft Communications Strategy for Council's consideration and adoption.

Background

- 2.1 Communication is an essential part of good management and the effective delivery of Council services. Communication is carried out for informational, motivational and in some instances for behaviour change reasons (e.g., good dog ownership or waste minimization messages).
- 2.2 Deliberate, planned and sustained communication effort from Council is critical to establish and maintain mutual understanding between Council and its community as well as its other stakeholders.
- 2.3 Council also has a legislative obligation towards effective communication. The Local Government Act 2002 requires local authorities to assist and promote opportunities for public participation in local decision making.
- 2.4 A Communications Strategy and an appropriately resourced function is an essential tool for meeting Council's strategic objectives and statutory responsibilities.
- 2.5 Council adopted its current Communications Strategy (CS) in 2015.
- 2.6 Over the past three years, WDC has made good progress in improving the effectiveness and usefulness of its communications with the District community. This is evident through a consistently high level of Resident Satisfaction Survey achieved - 96% for 2017/18 financial year.
- 2.7 In line with good practice and in order to maintain the effectiveness of our communications and ensuring that these are aligned to the strategic direction as set out in the 2018-28 LTP, a review of the Communications Strategy was carried out in October 2018 and a Council Workshop held on 16 October 2018.
- 2.8 Council suggested the following at its Workshop:
- that the objectives and principles are still appropriate and fit for purpose, and therefore no change has been made.
 - that the communication priorities and improvements planned over the next three years are appropriate.
 - Council supported for the consolidation of print media communications

- 2.9 The Communications Strategy has been updated to reflect the inputs from Council (see page 5 of the CS).
- 2.10 A copy of the draft Communications Strategy is enclosed separately and forms part of this business paper.

Commentary

3.1 The Communication Strategy sets the direction on how Council intends to communicate with the community and other external stakeholders.

3.2 The strategy has three key tenets: Objectives, principles and processes.

3.3 **Objectives**

3.4 The aim of the Objectives is to clearly articulate what is being sought for achievement and to guide communication resources, processes and actions.

3.5 The following objectives have been defined in the Strategy based on Council feedback:

1. Attract people to live or work in and visit the Waitomo District,
2. Promote the value of Council's role in the community,
3. Encourage involvement in local decision-making,
4. Ensure communities are well informed on Council's activities/ operations,
5. Promote a sense of community and pride of place,
6. Support Council's reputation in the District,
7. Support Council's reputation within the Local Government (LG) sector.

3.6 **Principles**

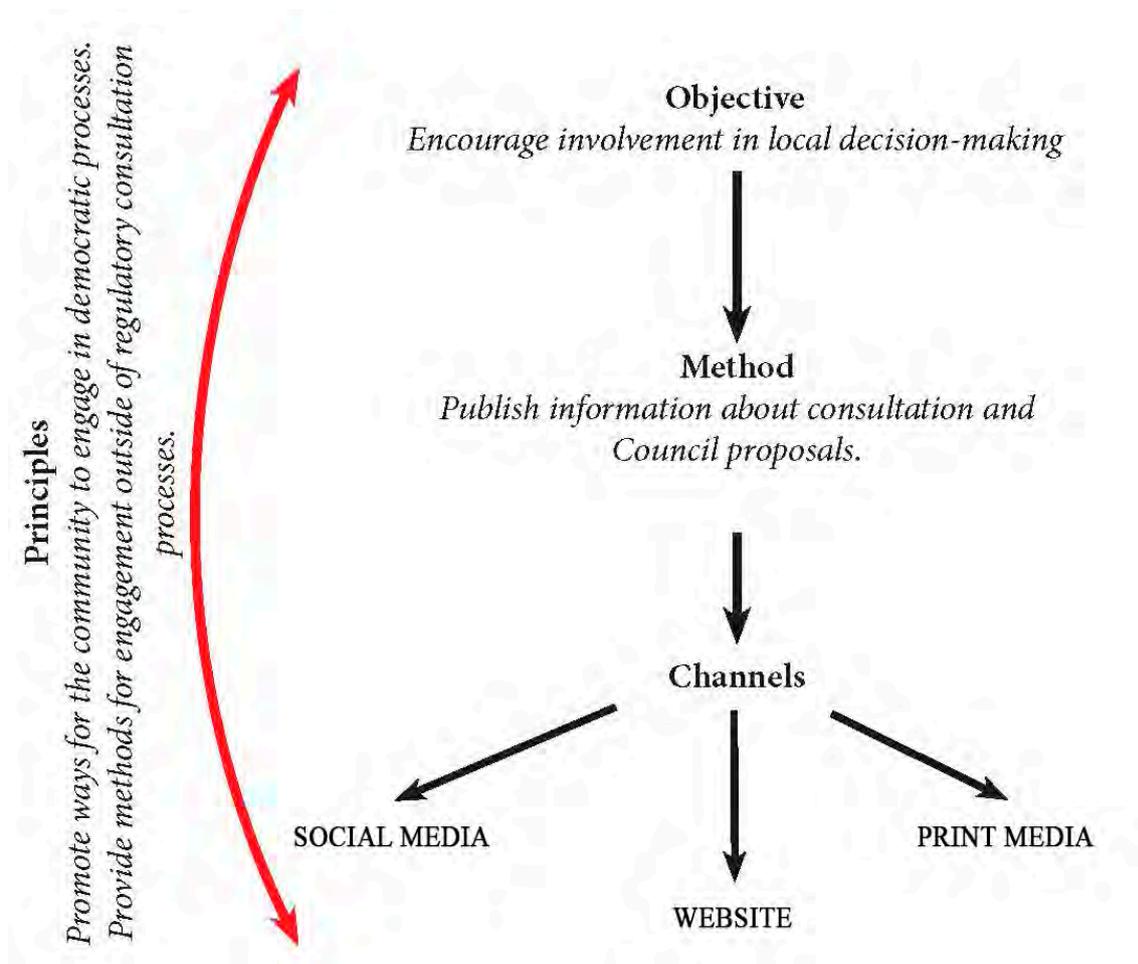
3.7 The following principles have been established to guide the form and/or content of the messaging:

- **Proactive communications** on projects, milestones, activities to pre-empt issues;
- Drive **consistent and repeated messaging** through an integrated communications approach to build credibility and legitimacy;
- **Link messaging to WDC's strategic direction** - social, economic and cultural interests of people and communities. Maintain and enhance quality of the environment, and reasonably foresee needs for future generations.
- **Messaging language** to be such that it comes across as accessible, hands-on, specialists in our field and as having a firm grasp of the issues and avoid the risk of being perceived as a nameless, faceless, authoritarian organisation.
- Establish **strong brand recognition** of Council by ensuring all Council communications bear Council's clear and consistent brand - both in terms of messaging style, logo and collateral. This will promote the breadth of our work;
- Seek to **understand our community** and its target audiences by proactively establishing relationships with key stakeholders to enable two-way communication. This is **particularly important with Māori**, both in respect to obligations under the Local Government Act and the Resource Management Act and as critical participants in our economy and communities;

- **Tailor messaging** to key audiences to ensure that our messaging resonates and also that we are using our limited resources efficiently;
- Ensure internal stakeholders **understand our communications objectives** so we have a consistent message;
- Ensure our communications **clearly reflect Council’s collective position** and is 100% reliable to build trust and confidence;
- Ensure all communications are in **plain English, concise and balanced**;
- Ensure any **misinformation, biased or unfair information is addressed as soon as possible**;
- **Promote ways for the community to engage** in democratic processes provide methods for engagement outside of regulatory consultation processes.

3.8 Communication Methods

- 3.9 Communication methods aim to bring into effect the objectives and principles outlined in the strategy. Each method feeds through a number of channels at Council’s disposal such as social media, website and print media.



3.10 Legislatively Required Communication/Engagement

3.11 Council has certain legislative requirements in terms of engaging/communicating with its communities for certain decisions/proposals. Engagement is required for the following:

- Long Term Plan and Annual Plans
- Annual Report
- Policies and Bylaws and
- Some Strategies and Plans
- District Plan
- Certain Resource Management decisions

3.12 The process of engagement is legislatively defined (to varying degrees) for these decisions/proposals.

3.13 The communication function provides support for these processes and channels to meet these legislative requirements.

3.14 Key audiences

3.15 The Communications Strategy defines the key audiences that Council will engage with:

- District community in general,
- Businesses and business associations,
- Community Groups such as Ratepayers Group, Youth Council, Grey Power, Schools,
- Maori organisations,
- Media - local and regional,
- Central government and agencies, and
- Other Councils in the Waikato Region or Council's WDC shares a boundary with.

3.16 Processes

3.17 The development and implementation of new communication processes, will continue to be an area of focus.

3.18 Forms and processes ensure that the objective of 'ensuring communities are well informed on Council activities/operations' is achieved.

3.19 Council's stakeholder database aims to ensure that consultation processes are reaching affected stakeholders.

3.20 Communication involves not only keeping people informed about what we are doing, but also providing people with the opportunity to provide feedback on our planning and decision making and also on how we are performing in the services we deliver.

3.21 WDC carries out a Resident Survey (RS) as a means of gauging the satisfaction of our residents with the activities we carry out and the services we provide.



Communications Strategy

2018

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Introduction

Communication is an essential part of good management and the effective delivery of Council services. We communicate to:

- Build support and advocacy,
- Engage the community and target audiences,
- Harness resources to create change, and
- Be authentic in demonstrating our core values.

Generally speaking, the “why” can be defined by five broad desired responses:

1. To raise awareness,
2. To build understanding,
3. To create a belief,
4. To create behaviour change, and
5. To generate advocacy.

Table 1: Why are we engaging with the community?

Awareness	Understanding	Belief	Behaviour Change	Advocacy
“Never heard of it/ them.”	“I get it – I can see this as important/ relevant to me.”	“I can relate to this – I want to get involved.”	“I will do something about this – and I know what to do.”	“Everyone needs to understand this and get involved.”
Build knowledge and consciousness	Education, engagement/ involvement	What’s the proposition for me? How is this relevant to me?	What’s the call to action? What do you want me to do about it?	Support and systems to facilitate systemic change

(Davies, 2011)

One flows from the other. You can’t drive behaviour change until you have awareness, understanding or belief.

Deliberate, planned and sustained communication effort from Council is critical to establish and maintain mutual understanding between Council and its community as well as its other stakeholders. It is also a key aspect of Council meeting its legislative requirements. The Local Government Act 2002 requires local authorities to assist and promote opportunities for public participation in local decision making. A Communications Strategy and an appropriately resourced function is an essential tool for meeting Council’s strategic objectives and statutory responsibilities.

This Communications Strategy aims to be a “broad statement of strategic direction” for Waitomo District Council’s approach to communications in both levels of service and function.

This strategy:

- Provides a guide to Council’s day-to-day communications activities;
- Sets Council’s expectations for media; and

- Allows Council to better engage with its community in a genuine way.

The Strategy has three key areas

1. Objectives
2. Principles
3. Processes

This strategy describes what Council wants to achieve, who it will engage with, through what channel and how we plan to evaluate the usefulness and effectiveness of Council communications.

Communications Objectives

Objectives are the specific results that we aim to achieve through communication. They are the backbone of the strategy and influence all aspects, including outcomes and actions. The Communication Objectives have been established taking into account Council's overall Vision for the District and strategic direction. They also take into account the broader local government environment.

Council's Vision is ***"Creating a better future with vibrant communities and thriving business."*** One of the focus areas in Council's 2015-25 LTP is placing a greater emphasis on community and economic development. The objectives align to this.

In May 2015, Local Government New Zealand research (Local Government New Zealand, 2015) found that general public understanding of what Councils do is extremely low and, while seen as important to society, Councils generally had a poor reputation.

While it can be debated that a majority of those negative perceptions are in fact due to the quality of or issues with service delivery itself, some of the solution lies in effectively promoting what Councils are doing well and communicating in a transparent and up-front manner when things go wrong.

With this in mind, Waitomo District Council is focused on developing those relationships and creating an environment where its stakeholders want to communicate with Council.

Council communication policies must also take account of statutory obligations to consult with the community. *"The prime purpose of consultation is to enable the effective participation of individuals and communities in the decision-making of Councils. This will enable elected representatives to make better-informed decisions on behalf of those they represent."* (Department of Internal Affairs)

In accordance with the Local Government Act 2002 the following six principles apply when a Council undertakes consultation:

- Councils must provide anyone who will or may be affected by the decision, or anyone who has an interest in the decision, with reasonable access to relevant information;
- These people should also be encouraged to express their views to Council;
- People who are invited to present their views to Council should be given clear information about the purpose of the consultation and the scope of the decisions being made;
- People who wish to present their views must be given reasonable opportunity to present them;
- Councils should receive these views with an open mind and give them due consideration when making a decision; and

- Council should provide people presenting their views with information relevant to decisions and the reasons for them.

Based on the needs and requirements above Council has set out the following Objectives:

1. Promote the value of Council's role in the community,
2. Encourage involvement in local decision-making,
3. Ensure communities are well informed on Council's activities/ operations,
4. Support Council's reputation in the District,
5. Support Council's reputation within the Local Government (LG) sector,
6. Attract people to live or work in and visit the Waitomo District, and
7. Promote a sense of community and pride of place.

Although all of the above objectives are important, in line with its vision, Council has determined that Objective 6, to attract people to live or work in and visit the Waitomo District, is the most important communication objective. Objective 5 - Support Council's reputation with the LG sector was also identified as a key objective.

Prioritising objectives assists with resource allocation during implementation of the strategy.

Communication Principles

The communication principles have been established to guide the form and content of messaging. The principles have been set out to move Council's target audiences from their current thinking or understanding to the preferred position.

These are::

- **Proactive communications** on projects, milestones, activities to pre-empt issues;
- Drive **consistent and repeated messaging** through an integrated communications approach to build credibility and legitimacy;
- **Link messaging to WDC's strategic direction** - social, economic and cultural interests of people and communities. Maintain and enhance quality of the environment, and reasonably foresee needs for future generations.
- **Messaging language** to be such that it comes across as accessible, hands-on, specialists in our field and as having a firm grasp of the issues and avoid the risk of being perceived as a nameless, faceless, authoritarian organisation.
- Establish **strong brand recognition** of Council by ensuring all Council communications bear Council's clear and consistent brand - both in terms of messaging style, logo and collateral. This will promote the breadth of our work;
- Seek to **understand our community** and its target audiences by proactively establishing relationships with key stakeholders to enable two-way communication. This is **particularly important with Māori**, both in respect to obligations under the Local Government Act and the Resource Management Act and as critical participants in our economy and communities;
- **Tailor messaging** to key audiences to ensure that our messaging resonates and also that we are using our limited resources efficiently;

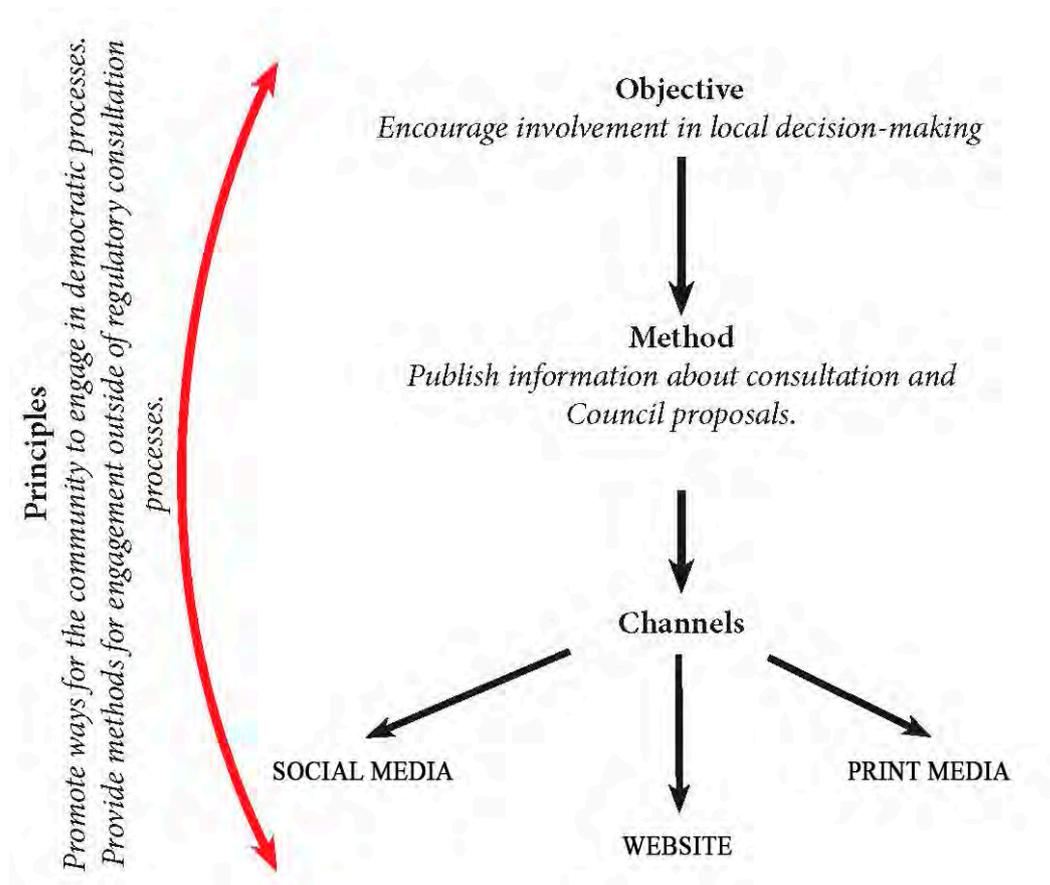
- Ensure internal stakeholders **understand our communications objectives** so we have a consistent message;
- Ensure our communications **clearly reflect Council’s collective position** and is 100% reliable to build trust and confidence;
- Ensure all communications are in **plain English, concise and balanced**;
- Ensure any **misinformation, biased or unfair information is addressed as soon as possible**;
- **Promote ways for the community to engage** in democratic processes. Provide methods for engagement outside of regulatory consultation processes.

Communication Methods

Methods are where the “rubber hits the road” for Council’s communications function. These are tasks, channels or campaigns that will bring into effect the objectives outlined previously. The principles will guide the messaging.

There may be a number of methods to achieve each objective. Subsequently, each method may be fed through a number of channels at Council’s disposal, both internal and external.

An example of how this may flow from objectives to principles, through to method is set out below.



Key Audiences

In order to maximise the penetration of communication resources, key audiences need to be identified.

Identifying leaders within those groups is essential to mobilising or soliciting feedback for various Council processes or projects. Likewise, understanding the motivations of those groups, the demographic of people that make up those groups and how they prefer to engage will inform tailored communications for each group.

The key audiences Council will engage are:

- District community in general,
- Businesses and business associations,
- Community Groups such as Ratepayers Group, Youth Council, Grey Power, Schools,
- Māori organisations,
- Media - local and regional,
- Central government and agencies, and
- Other Councils in the Waikato Region or Councils WDC shares a boundary with.

Council's stakeholder database aims to identify stakeholders and maximise the effectiveness of this resource.

The different channels that are used to communicate with the community are:

- Website
- Print media
- Social Media
- Radio
- Council publications; Rates newsletter, flyers, brochures/guides and posters.

Communicating online is a key element of communication in today's world. An effective website has become an essential means of communication for all organisations.

WDC's Customer Service Strategy includes a key action focused on providing technology solutions: *'Ongoing review of WDC website to provide online communications and transaction processing – i.e. 24/7 customer access'*.

WDC's website is an integral part of the way we deliver services to the community offering access to Council information 24 hours a day, seven days a week. It will be promoted as a key means of communicating and doing business with Council.

Processes

Processes outline a series of actions or steps taken in order to achieve the objectives. To ensure Council's messages are consistent, authentic, and accurate and in line with Council's collective position, it is important that there are robust processes for who can say what, when and to whom.

Forms and processes ensure that the objective of 'ensuring communities are well informed on Council activities/operations' is achieved.

The communications team lead the development of communications processes to ensure key messages are outlined early in the communication planning process, that spokespeople and project ambassadors are identified and contingencies for risks and challenges identified prior to the commencement of a project.

It is critical that all Council officers recognise, value, practice and take accountability for quality communication in their daily activities. In particular, when a new project or area of focus arises, staff will liaise with the communications team to prepare a plan for communication of the project.

Communications will be deployed prior to and following completion of public consultation.

Typically, Councils rationalise decisions on who will publically represent an issue in the media. WDC's Media Policy outlines who may speak to the media.

Communication involves not only keeping people informed about what Council is doing, but also providing people with the opportunity to provide feedback on Council's planning and decision making and how it is performing in its' service delivery.

Council will continue to actively seek feedback from the community with the support of the Communications team.

To assess performance, Council currently carries out annual Resident Satisfaction Surveys (RSS) as a means of gauging the satisfaction of residents with the activities it carries out and the services delivered. The RSS is a good means of gauging the satisfaction of residents.

The Customer Service Strategy provides for a range of targeted customer satisfaction surveys. These are implemented upon completion of the delivery of a specific Council service, such as building consents and provision of Elderly Persons Housing.

Council also communicates with it's communities on planning and decision making on matters such as:

- Long Term Plan and Annual Plans,
- Annual Report,
- Policies and Bylaws,
- Some Strategies and Plans,
- District Plan, and
- Certain Resource Management decisions.

Communications in the form of educational information is required from time to time, to support an improved level of community awareness.

Examples of the activities in which Council communications serve an education purpose are:

- Waste Minimisation,

- Responsible Dog Ownership, and
- Water Conservation.

Implementation of the Communications Strategy

Examples of how Council will implement its communication objectives are set out in the following table.

Objective	Example
Promote the value of Council's role in the community	<p>Regular sharing of service and project information via website, social media and print media.</p> <p>Ensure that the WDC logo and sponsorship is highlighted in communications.</p> <p>Publication of funding and grants information on the website.</p>
Encourage involvement in local decision-making	<p>Extensive promotion of opportunities to engage i.e. using various methods – website, social media, radio and print media.</p> <p>Provide advice on how to make a submission to Council.</p> <p>Communicate any opportunities to engage with Elected Members.</p> <p>Increase use of Mayor's Facebook page in consultation communications campaigns.</p> <p>Share snippets of consultation material on social media and radio in a way that is easy to understand and consider.</p>
Ensure communities are well informed on Council's activities/operations	<p>Proactively communicate significant operational activities and projects in a timely manner.</p> <p>Council operations/work that has the potential to significantly impact on the day-to-day service delivery will be publicly notified.</p>
Support Council's reputation in the District	<p>Promptly respond to Council issues with planned media release.</p> <p>Publish and share information about Council's performance and achievements.</p>
Support Council's reputation within the LG sector	Contribute and showcase a particular success to 'Local Wins' under the LGNZ

	<p>website.</p> <p>Share LGNZ news on Council's website. Social media.</p> <p>Maintain WDC's presence in the Local Government sector wide Communications Programme in support of the LGNZ 'Performance Uplift Programme'.</p>
Attract people to live or work in and visit the Waitomo District	Promote District on social media Te Kuiti NZ Facebook page.
Promote a sense of community and pride of place.	<p>Encourage and promote compliance with Council's regulations, bylaws, policies and vision in Council communications—Waitomo Way and printed media.</p> <p>Communicate negative effects of vandalism/graffiti on community environment and image.</p> <p>Communicate successful collaboration and partnerships that result in positive outcomes for community groups and organisations.</p> <p>Promote Council services that support positive outcomes for community using various communication methods;printed media and online.</p>

Evaluation

Evaluation of the effectiveness of Council communications is increasingly important.

It is important that resources are used efficiently and demonstrating what works and what doesn't will help refine future communications strategies.

A six-monthly progress report to Council will provide an update on the actions and campaigns undertaken to meet the objectives set out in this strategy.

Document No: A411236

Report To: Council



Meeting Date: 30 October 2018

Subject: Civic Financial Services Ltd Half-Yearly Accounts to 30 June 2018

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to present the half-yearly accounts for Civic Financial Services Ltd for the six months ended 30 June 2018.

Background

- 2.1 Civic Financial Services Ltd (CFS) is the former New Zealand Local Government Insurance Corporation Ltd (NZLGIC) and previously traded as Civic Assurance. It has been trading for over 75 years. The name change has been instituted due to CFS withdrawing from offering property insurance and no longer holding an insurance licence.
- 2.2 CFS provides administration and financial services to SuperEasy and SuperEasy KiwiSaver Superannuation Schemes, the Local Authority Protection Programme Disaster Fund (LAPP) and Riskpool and the owner and property manager of Civic Assurance House (a nine-storey building on Lambton Quay in Wellington).
- 2.3 WDC holds 16,940 shares (0.15%) in Civic Financial Services Ltd.

Commentary

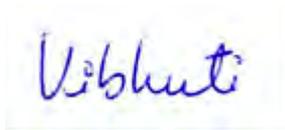
3.0 Half-Yearly Accounts to 30 June 2018

- 3.1 The CFS half yearly accounts for the six months ended 30 June 2018 are attached to, and form part of this business paper.
- 3.2 The company's income is derived from administration services, investment income and rental income (until the building is sold) and reports it has tracked above budget returning an (unaudited) after tax profit of \$343,000 (2016: \$148,000) for the first half of the year.
- 3.3 This compares to an after tax loss of \$156,000 for the full year to 31 December 2017 (2016: after tax profit of \$975,000).
- 3.4 Revenue has increased \$97,000 (5.2%) from the same period last year and expenditure has reduced by \$175,000 (10.6%).
- 3.5 The company advise that revenue, expenses and net surplus continue to reflect the strategic direction taken by the Board at the end of 2016 and that it has maintained its strong financial position with equity of over \$17 million.

- 3.6 As communicated to Council in the Statement of Intent in April 2018, CFS will be completing the work required to earthquake strengthen the non-structural south and west boundary walls of Civic Assurance House before taking the building to market. This work is on track to be completed by the end of the first quarter of 2019 at which time, if a satisfactory sale price can be obtained, the proceeds net of selling costs will be distributed to shareholders via a special dividend.

Suggested Resolution

- 1 The business paper on Civic Financial Services Half yearly accounts to 30 June 2018 be received.



VIBHUTI CHOPRA
GROUP MANAGER – CORPORATE SERVICES

23 October 2018

Attachments: Civic Financial Services Half-Yearly Accounts to 30 June 2018
(A408645)

Chris Ryan
Chief Executive
Waitomo District Council
P.O. Box 404
Te Kuiti 3942

RECEIVED

27 SEP 2018

WAITOMO DISTRICT
COUNCIL

24 September 2018

Dear Chris

Civic Financial Services Half-Yearly Accounts – 30 June 2018

Please find enclosed your copy of the half-yearly accounts for Civic Financial Services Limited ("Civic") to 30 June 2018. You will be pleased to see that the company is tracking above budget and has returned an (unaudited) pre-tax profit of \$0.478 million for the first half of 2018. Revenue, expenses and net surplus continue to reflect the strategic direction that your Board took at the end of 2016. Civic has maintained its strong financial position with equity of over \$17 million.

As communicated to you in the Statement of Intent in April this year, we will be completing the work required to earthquake strengthen the non-structural south and west boundary walls of Civic Assurance House before taking the building to market. This work is on track to be completed by the end of the first quarter of 2019 at which time, if a satisfactory sale price can be obtained, the proceeds net of selling costs will be distributed to shareholders via a special dividend.

As reflected in the accounts Civic's income is derived from administration services and investment income, and rental income until the building is sold. In addition to administering Riskpool, Civic Liability Pool and the LAPP Fund, Civic administers the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes which are offered to local government on an exclusive basis. These schemes provide superannuation services to 75 councils, have well over 10,000 members and funds under management of over \$350 million. Of the councils that have a preferred provider for KiwiSaver, 94% have appointed Civic (69 out of 73 councils).

Yours sincerely



Ian Brown
Chief Executive
Email: ian.brown@civicfs.co.nz

CIVIC FINANCIAL SERVICES LTD

STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Note	Six Months				Full Year	
		2018 Group	2017 Group	2018 Parent	2017 Parent	2017 Group	2017 Parent
REVENUE							
Administration Fees		1,419	1,380	1,419	1,380	2,750	2,750
Income from Investments		101	79	101	79	174	174
Property Income		429	393	429	393	11	11
Other Income		-	-	-	51	120	51
		<u>1,949</u>	<u>1,852</u>	<u>1,949</u>	<u>1,903</u>	<u>3,055</u>	<u>2,986</u>
EXPENDITURE							
Property Operating Expenses		266	246	266	246	519	519
Depreciation & Amortisation		24	20	24	20	39	39
Employee Remuneration		382	514	382	514	920	920
Other Expenses		799	866	799	866	1,546	1,547
		<u>1,471</u>	<u>1,646</u>	<u>1,471</u>	<u>1,646</u>	<u>3,024</u>	<u>3,025</u>
Plus Share of Profit of Associate		-	-	-	-	-	-
Less Taxation Expense	6	135	58	135	58	187	187
NET SURPLUS AFTER TAXATION		<u>343</u>	<u>148</u>	<u>343</u>	<u>199</u>	<u>(156)</u>	<u>(226)</u>

STATEMENT OF MOVEMENTS IN EQUITY (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

	Six Months				Full Year	
	2018 Group	2017 Group	2018 Parent	2017 Parent	2017 Group	2017 Parent
Equity as at 1 January	17,048	17,204	17,048	17,273	17,204	17,273
Net Surplus After Taxation	343	148	343	199	(156)	(226)
EQUITY AS AT 30 JUNE	<u>17,391</u>	<u>17,352</u>	<u>17,391</u>	<u>17,472</u>	<u>17,048</u>	<u>17,048</u>

STATEMENT OF FINANCIAL POSITION (Unaudited)
AS AT 30 JUNE 2018

	2018 Group	2017 Group	2018 Parent	2017 Parent	2017 Group	2017 Parent
EQUITY						
Capital	10,764	10,764	10,764	10,764	10,764	10,764
Retained Earnings	6,627	6,588	6,627	6,708	6,284	6,284
TOTAL EQUITY	<u>17,391</u>	<u>17,352</u>	<u>17,391</u>	<u>17,472</u>	<u>17,048</u>	<u>17,048</u>
Represented By:						
Current Assets						
Bank & Cash Equivalents	1,150	4,672	1,150	4,672	5,202	5,202
Receivables	709	458	709	458	732	732
Loans	5,359	1,502	5,359	1,502	1,110	1,110
TOTAL CURRENT ASSETS	<u>7,218</u>	<u>6,632</u>	<u>7,218</u>	<u>6,632</u>	<u>7,044</u>	<u>7,044</u>
Non-Current Assets						
Property, Plant & Equipment & Intangible Assets	273	261	273	261	279	279
Deferred Tax Asset	2,952	3,214	2,952	3,214	3,086	3,086
TOTAL NON CURRENT ASSETS	<u>3,225</u>	<u>3,475</u>	<u>3,225</u>	<u>3,475</u>	<u>3,365</u>	<u>3,365</u>
Investments						
Investment in Associate	-	-	-	-	-	-
Investment Property	7,259	7,938	7,259	7,938	7,175	7,175
TOTAL INVESTMENTS	<u>7,259</u>	<u>7,938</u>	<u>7,259</u>	<u>7,938</u>	<u>7,175</u>	<u>7,175</u>
TOTAL ASSETS	<u>17,702</u>	<u>18,045</u>	<u>17,702</u>	<u>18,045</u>	<u>17,584</u>	<u>17,584</u>
Current Liabilities						
Sundry Creditors & Accrued Charges	205	300	205	300	246	246
TOTAL CURRENT LIABILITIES	<u>205</u>	<u>300</u>	<u>205</u>	<u>300</u>	<u>246</u>	<u>246</u>
Non Current Liabilities						
CLP/ Riskpool Admin Fee Reserve	106	273	106	273	290	290
Subordinated Debt	-	120	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	<u>106</u>	<u>393</u>	<u>106</u>	<u>273</u>	<u>290</u>	<u>290</u>
TOTAL LIABILITIES	<u>311</u>	<u>693</u>	<u>311</u>	<u>573</u>	<u>536</u>	<u>536</u>
EXCESS OF ASSETS OVER LIABILITIES	<u>17,391</u>	<u>17,352</u>	<u>17,391</u>	<u>17,472</u>	<u>17,048</u>	<u>17,048</u>

The notes to the accounts on page 3 form part of and are to be read in conjunction with these Statements.

CIVIC FINANCIAL SERVICES LTD

STATEMENT OF CASH FLOWS (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2018

Notes	Six Months				FULL YEAR	
	2018 Group	2017 Group	2018 Parent	2017 Parent	2017 Group	2017 Parent
Cash Flows from Operating Activities						
	1,740	1,831	1,740	1,880	3,657	3,708
	1,486	1,753	1,486	1,752	3,383	3,383
	<u>254</u>	<u>78</u>	<u>254</u>	<u>128</u>	<u>275</u>	<u>325</u>
Cash Flows from Investing Activities						
	-	-	-	-	4,416	4,416
	103	15	103	15	5,600	5,600
	<u>(103)</u>	<u>(15)</u>	<u>(103)</u>	<u>(15)</u>	<u>(1,184)</u>	<u>(1,184)</u>
Cash Flows from Financing Activities						
	-	-	-	-	-	-
	4,203	1,502	4,203	1,502	-	-
	<u>(4,203)</u>	<u>(1,502)</u>	<u>(4,203)</u>	<u>(1,502)</u>	<u>-</u>	<u>-</u>
	(4,052)	(1,439)	(4,052)	(1,389)	(909)	(859)
	5,202	6,111	5,202	6,061	6,111	6,061
	<u>1,150</u>	<u>4,672</u>	<u>1,150</u>	<u>4,672</u>	<u>5,202</u>	<u>5,202</u>
Being:						
	1,150	4,672	1,150	4,672	5,202	5,202

The notes to the accounts on page 3 form part of and are to be read in conjunction with this statement.

CIVIC FINANCIAL SERVICES LTD
FOR THE SIX MONTHS ENDED 30 JUNE 2018

Notes to the Financial Statements

1 Statement of Compliance

The Group is a Tier 1 Public Sector Public Benefit Entity and the financial statements have been prepared in accordance with and comply with Tier 1 Public Sector Public Benefit Entity (PBE) Standards.

2 Accounting policies

The accounting policies applied in the preparation of the half year financial statements are consistent with those disclosed in the 2017 annual report except that the investment property has not been revalued.

3 Basis of Preparation

These interim financial statements have been prepared in accordance with PBE IAS 34 - Interim Financial Reporting, and should be read in conjunction with the Company's annual financial report for the year ended 31 December 2017. Disclosures in these interim financial statements are less extensive than those in the annual financial report.

4 Comparative figures.

The comparative figures are for the six months ended 30 June 2017 and the year ended 31 December 2017.

5 Reconciliation of net surplus after tax with cash flow from operating activity.

	Six Months				Full Year	
	2018 Group	2017 Group	2018 Parent	2017 Parent	2017 Group	2017 Parent
Reported Surplus After Taxation	343	148	343	199	(156)	(226)
Add/(less) non cash items						
Loan Interest	(46)	-	(46)	-	(13)	(13)
Depreciation	25	21	25	21	39	39
Deferred Tax Liability	134	58	134	58	187	187
Movement in CLP/ Riskpool Admin Fee Reserve	(216)	-	(216)	-	(44)	(44)
Net change in fair value of property	-	-	-	-	798	798
Subordinated Debt	-	-	-	-	(120)	-
	<u>(103)</u>	<u>79</u>	<u>(103)</u>	<u>79</u>	<u>847</u>	<u>967</u>
Add/(less) movements in other working capital items						
Accounts Receivable	22	102	22	102	(171)	(171)
Accounts Payable	(8)	(248)	(8)	(249)	(242)	(242)
Tax Refund Due	-	(3)	-	(3)	(3)	(3)
	<u>14</u>	<u>(149)</u>	<u>14</u>	<u>(150)</u>	<u>(416)</u>	<u>(416)</u>
Net Cash Outflow from Operating Activities	<u>254</u>	<u>78</u>	<u>254</u>	<u>128</u>	<u>275</u>	<u>325</u>

6 Income Tax

The income tax liability for June 2018 is nil as the Company has unused tax credits with which it will use to offset any income tax expense.

7 A secured loan agreement between the Company and Local Government Mutual Funds Trustee Limited on behalf of New Zealand Mutual Liability Riskpool ("Riskpool") was entered into in February 2017 and again in August 2017 to assist with Riskpool's cashflow. The amount under each agreement is for a loan of up to \$3,000,000 and both loans are arm's length and on commercial terms. Any loan may be repaid by Riskpool at any time without penalty and the agreement terminated by either party with six months' notice.

8 Contingent liabilities.

The contingent liabilities are:

- 100,000 uncalled shares in the wholly owned subsidiary, Local Government Superannuation Trustee Limited.
- 1,000 uncalled shares in the wholly owned subsidiary, Local Government Mutual Funds Trustee Limited.
- 100 uncalled shares in the wholly owned subsidiary, SuperEasy Limited.
- 100 uncalled shares in the wholly owned subsidiary, Local Government Finance Corporation Limited.

9 Events occurring after reporting date

- The wholly owned subsidiary, Local Government Finance Corporation Limited, was voluntarily deregistered in July 2018. The Company had 100 uncalled shares in the wholly owned subsidiary.
- There have been no other significant events since the reporting date that affect the results disclosed in the half year financial statements.

Document No: A411294

Report To: Council



Meeting Date: 30 October 2018

Subject: Update on Representation Arrangements Review

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is provide Council with an update on the review of Representation Arrangements for the 2019 elections.

Background

- 2.1 Under the Local Electoral Amendment Act 2001 (LEA) all Councils are required to review Representational Arrangements at least once every 6 years.
- 2.2 The Representational Review must contain the following:
- 2.2.1 The number of elected members (within the legal requirement of a minimum of six and a maximum of 30 members, including Mayor).
- 2.2.2 Whether the elected members (other than the Mayor) shall be elected by the entire district, or whether the district will be divided into wards for electoral purposes, or whether there will be a mix of "at large" and "ward" representation.
- 2.2.3 If election by wards is preferred, then the boundaries and names of those wards and the number of members that will represent each ward.
- 2.2.4 Whether to have community boards and if so how many, their boundaries and membership and whether to subdivide a community for electoral purposes.
- 2.3 Council commenced this review in 2018 through a workshop following which a paper was presented to Council on 21 August 2018, the purpose of these was to discuss the views of Council on the existing Representational Arrangements for the 2019 and 2022 Elections.
- 2.4 Initial Proposal as put out for Public Consultation**
- 2.5 At its meeting on 21 August 2018, Council resolved that the current Representation Arrangements be retained for the 2019 Election as follows:
- 6 Elected Members elected by Wards, plus the Mayor elected at large
 - Two Wards:
 - Urban Ward (3 Elected Members)
 - Rural Ward (3 Elected Members)
 - No Community Boards

- 2.6 Pursuant to Section 19M of the LEA, a public notice regarding the 'Initial Proposal' being status quo, was put out for public consultation on 6 September 2018 advising of the submission period being 6 September 2018 to 8 October 2018.

Commentary

3.1 Outcome of Public Consultation

- 3.2 At the close of business on Monday, 8 October 2018, no submissions were received to the Initial Proposal as publicly notified.

- 3.3 Pursuant to Section 19Y of the Act, as no submissions were received to Council's Initial Proposal, that proposal now becomes final and is the basis for election at the 2019 local election and continues in effect until a subsequent review under the LEA comes into effect. The following processes must be being completed.

3.4 Process Forward

Step 1: Public notification of the Basis for Election for the 2019 Local Body Election.

Step 2: As soon as practicable following public notification in Step 1, send a copy of that Public Notice to:

- 1 the Commission; and
- 2 the Surveyor-General; and
- 3 the Government Statistician; and
- 4 the Remuneration Authority; and
- 5 the Secretary for Local Government; and
- 6 Waikato Regional Council; and
- 7 Horizons Regional Council

Step 3: Send a description and/or plan of each ward to the Surveyor-General, for the Surveyor-General to certify that the description and/or plan is sufficient to render the boundaries of each ward capable of identification.

- 3.5 All steps are intended to be completed in November 2018.

Suggested Resolution

The business paper on Update on Representation Arrangement Review be received.



VIBHUTI CHOPRA
GROUP MANAGER – CORPORATE SERVICES

23 October 2018

Document No: A411413	
Report To:	Council
	Meeting Date: 30 October 2018
	Subject: Waikato Plan Update : Revised Terms of Reference
	Type Decision Required

1.0 Purpose of Report

- 1.1 The purpose of this business paper is to provide an update on changes to the Waikato Plan implementation, including recommendations regarding a refreshed Waikato Plan governance entity.

2.0 Background

- 2.1 The Waikato Plan (WP) development was a work stream agreed by the Waikato Mayoral Forum which was developed as a joint initiative between all Council's in the Waikato region.
- 2.2 The draft Waikato Plan was prepared and adopted by the Waikato Plan Joint Committee on 27 February 2017.
- 2.3 The Governance arrangements consisted of a Joint Committee set up for the development and recommendation to adopt the WP.
- 2.4 The WP was completed and recommended for adoption by the Joint Committee to all Council's in the Waikato region in June 2017 and was adopted by all partner Councils.
- 2.5 The Waikato Plan Leadership Group Joint Committee was constituted in August 2017.
- 2.6 Waitomo District Council (WDC) adopted the recommended WP and Summary at its meeting in August 2017.
- 2.7 Council (WDC) also resolved that Mayor Brian Hanna be appointed as the combined representative for the Southern Waikato Group on the Waikato Plan Leadership Group (WPLG).

3.0 Commentary

- 3.1 At the April 2018 meeting of both the Waikato Mayoral Forum and the Waikato Plan Leadership Group, discussion was had on the challenges and opportunities that plan implementation has presented.
- 3.2 Peter Winder from McGredy Winder, who has undertaken a number of independent reviews related to local government and collaborative processes for the Waikato, was commissioned to undertake a review. The report, 'Review of the Waikato's 4 Well Beings Implementation Structures and Processes 2018', included

a suite of recommendations that provided direction for a refreshed approach to the Waikato Plan implementation.

- 3.3 The report noted that in order to achieve the contribution sought from the Waikato Plan being, development of the Waikato, where multi-year and multi-party responses are necessary, a more structured approach to implementation with central oversight from a single agency would be of benefit. The Report concluded that the Waikato Plan project was at a cross-roads, stating that it needed to be re-shaped or re-energised or concluded in its current form.

3.4 **The Way Forward**

- 3.5 Both the Mayoral Forum and the Waikato Plan Leadership Group Joint Committee endorsed the refreshed approach to the Waikato Plan from the McCredy Winter report where the following six key elements were outlined:

- **Make changes to the Terms of Reference** for the Waikato Plan Leadership Group to reflect the refined role and function of the Group as a clearinghouse, facilitator and influencer, encouraging the allocation of resources rather than as the place that directs other people's resources.
- Strip implementation funding out of the Waikato Plan budget and secure implementation **funding on a project-by-project basis** based on the merits of the business case and the willingness of the partners to fund the activity.
- **Allocate specific resources through the regional council** to undertake the critical project manager, programme development, programme coordination, and business case work that is required to make the transition from the plan making phase to the plan implementation phase.
- **Establish a core Waikato Plan project team** at the regional council and manage an appropriate transition from the existing contracted project support resources to the new team.
- **Establish project-specific governance**, reporting and funding arrangements for each implementation activity that reflect the nature of the activity and the partners. All implementation activity should be reported to the Leadership Group so that it can undertake its core facilitation clearinghouse roles.

- 3.6 Report recommends that the core Waikato Plan project team is likely to evolve around two roles, with one of these being a part time co-ordination role. These roles will be funded from the Waikato Plan budget.

3.7 **Amended Terms of Reference, Committee of Waikato Regional Council**

- 3.8 A key action was the refresh of the Terms of Reference for the Waikato Plan Leadership Group. These changes are included as Appendix 1.

- 3.9 The Terms of Reference also change the Waikato Plan Leadership Group from being a Joint Committee of councils' to a Waikato Plan Leadership Committee that becomes a Committee of Waikato Regional Council.

- 3.10 As a Committee of Waikato Regional Council, it is not able to make decisions on behalf of other local authorities. This is reflected in the revised terms of reference for the Committee which sets out its objective as being a clearinghouse, facilitator and influencer, encouraging the allocation of resources rather than as the place that directs other people's resources.

- 3.11 In approving the Terms of Reference, and endorsing the Waikato Plan Leadership Committee, as a Committee of Council, there is the need for Councils to pass a resolution disestablishing the Waikato Plan Leadership Group Joint Committee. Each Council who presently is party to the Joint Committee will also need to pass a resolution that disestablishes the Joint Committee.
- 3.12 **August meeting of the Waikato Plan Leadership Joint Committee**
- 3.13 The Waikato Plan Leadership Joint Committee discussed the revised terms of reference in their August 2018 meeting and resolved amongst other things:
1. *THAT the Waikato Plan Leadership Group Committee notes that the refreshed Waikato Plan Leadership Group is anticipated to be a Standing Committee of Waikato Regional Council, where the existing members of the Group will be invited to join the Committee.*
 2. *THAT two Co-Chairs and Deputy Co-Chairs are appointed from the membership of the Standing Committee. A Co-Chair and Deputy Co-Chair is recommended to be appointed by Iwi representatives of the Group, with the other Co-Chair and Deputy Co-Chair recommended to be appointed by the Committee.*
 3. *THAT the Waikato Plan Leadership Group recommends for approval the changes identified in the minutes to the draft Terms of Reference titled attachment one on page four of Doc #12938978 dated 16 August 2018.*
- 3.14 On 27 September 2018 Waikato Regional Council resolved:
1. *THAT the following recommendations be adopted:*
 - a. *THAT pursuant to Clause 30(7), Schedule 7 of the Local Government Act 2002, the Waikato Plan Leadership Group Joint Committee be disestablished.*
 - b. *THAT pursuant to Clause 30(1), Schedule 7 of the Local Government Act 2002, the Waikato Plan Leadership Committee be established as a committee of Waikato Regional Council, and that the Committee has the terms of reference and membership as outlined in Attachment 1.*
 - c. *THAT the Waikato Plan Leadership Committee be delegated the authority to implement the Waikato Plan in accordance with the delegated functions set out in the Terms of Reference as outlined in Attachment 1.*
 - d. *THAT the Co-Chairs and Deputy Co-Chairs of the Waikato Plan Leadership Committee be appointed in accordance with the Terms of Reference as outlined in Attachments 1.*
 - e. *THAT Council confirms the appointment of Chair Alan Livingston as the Waikato Regional Council representative on the Waikato Plan Leadership Committee.*
- 3.15 The amended Terms of Reference for the Waikato Plan governance entity will give effect to the recommendations from the independent Review undertaken of the Waikato Plan Implementation process. The recommendations are supported by both the Mayoral Forum and the Waikato Plan Leadership Group. The Terms of Reference provide the refocus for the Waikato Plan Leadership Committee, disestablishment and make the Committee one of the Waikato Regional Council.

Suggested Resolution

1. The report Waikato Plan Update – Revised Terms of Reference be received.
2. The *Waikato Plan Leadership Committee Terms of Reference* included as Appendix 1 be received.
3. Waitomo District Council agree that the Waikato Plan Leadership Group Joint Committee in its current form be disestablished.
4. Waitomo District Council notes the establishment of the Waikato Plan Leadership Committee as a committee of Waikato Regional Council.



VIBHUTI CHOPRA

GROUP MANAGER – CORPORATE SERVICES

24 October 2018

Appendix 1: Waikato Plan Leadership Committee Terms of Reference

Waikato Plan Leadership Committee

Reporting to: Waikato Regional Council, and partner agencies

Constitution: The membership shall be comprised as follows:

- One voting member appointed by the Waikato Regional Council
- One voting member appointed by the Future Proof Group (Hamilton City Council, Waipa District Council, Waikato District Council)
- One voting member jointly appointed by Hauraki District Council, Matamata-Piako District Council and Thames Coromandel District Council.
- One voting member jointly appointed by Otorohanga District Council, South Waikato District Council, Taupo District Council, and Waitomo District Council
- One voting member appointed by Hamilton City Council
- Up to six voting members appointed by Tāngata whenua and confirmed as members by the Waikato Regional Council
- Up to four voting members being business and/or community representatives confirmed as members by the Waikato Regional Council
- One non-voting member being a representative of the Waikato District Health Board
- One non-voting member being a representative of the
 - New Zealand Transport Agency
 - Ministry of Social Development
 - Ministry of Education

Non-voting members being representatives of relevant Government Agencies as required.

The Leadership Committee will be co-chaired by one iwi representative and any other voting member of the Leadership Group. Both Chair Roles will have deputies appointed. ¹

The Co-Chairpersons and Deputy Chairpersons will be selected from the members of the Leadership Committee and appointed by the voting members of the Group at its first meeting after each local government election. The term of appointment for the Chairpersons and Deputy Chairpersons will be until the next local government election.

A vacancy in membership of the Leadership Committee shall not limit its ability to meet and fulfil its purpose.

Quorum: The quorum will be half of the appointed voting members of the Leadership Committee.

Any vacancy in an appointed voting member position will result in the quorum being reduced accordingly.

Meeting Frequency Bi monthly or as necessary and determined by the Co-Chairs of the Leadership Committee

¹ (Note: the Waikato Plan Leadership Group will be guided in its selection of the Iwi Chair roles by Iwi representatives)

Objectives: The Leadership Committee has been established to facilitate and encourage the implementation of the Waikato Plan and undertake any reviews or updates to the Plan.

The Leadership Committee will function as a clearinghouse, facilitator and influencer, encouraging the allocation of resources to achieve agreed regional priorities. It will also act as the facilitator of the Waikato message, building the authority and influence the Waikato has by encouraging the many legitimate voices in the region to say the same thing and advocate for the same outcomes for the region.

As a Committee of Waikato Regional Council, the Leadership Committee is not able to make decisions on behalf of other local authorities

SCOPE OF ACTIVITY

1. Implementation, Monitoring and Reporting

- Provide regional leadership on the strategic direction and priorities identified in the Waikato Plan.
- Oversee, facilitate and encourage the implementation of the Waikato Plan, in particular the actions.
- Develop and recommend to Council partners any finalised changes or amendments to the Waikato Plan for adoption.
- Oversee the development of business cases targeting the implementation of Waikato Plan actions.
- Act as a clearinghouse and reporting forum for implementation actions, ensuring that partners understand what each other is doing and can identify opportunities for effective collaboration.
- Champion the integration of partner strategies, programmes, and plans and encourage partnerships with other sectors such as health, education and business.
- Encourage consistent, collaborative and/or coordinated activity designed to implement the Waikato Plan actions and to achieve optimal outcomes.
 - Monitor and regularly report progress against Waikato Plan actions and Key Performance Indicators to partner organisations and the public.
 - Encourage partners and other organisations to allocate the resources necessary to implement the Waikato Plan actions.

2. Advocacy, Engagement and Consultation

- Facilitate and encourage the many legitimate voices in the Waikato to say the same thing when advocating for the Waikato and agreed Waikato Plan priorities.
- Develop and recommend to partners draft submissions to decision makers and advocacy plans designed to support the implementation of the Waikato Plan.
- Formulate, manage and have oversight of the running of any special consultative procedure or any other consultation, including those associated with any changes or amendments to the plan.
- Undertake early engagement with plan partners, the Waikato Mayoral Forum and other entities in respect of undertaking any changes or amendments to the adopted plan.
- Prepare and consult with partner agencies each year on a draft workplan.
- Report to partner agencies annually on progress with implementing the Waikato Plan and the annual work programme.

3. Leadership Group Operations

- Oversee the ongoing selection and appointment of representatives to the Waikato Plan Leadership Group.
- Implement any Memorandum of Understanding agreed between the partners.

DELEGATIONS

1. To oversee the implementation, monitoring and review of the Waikato Plan
2. To report back to Council and partner agencies on Waikato Plan implementation

ADMINISTRATION

The Waikato Regional Council will provide administration and support for the Leadership Group.

RESOURCING

The members of the Leadership Group will each bear their own costs of participation and those members whose participation is not part of their other governance or employment arrangements may receive appropriate remuneration from the Waikato Regional Council.

COMMUNICATION

Communication with the media and the wider public will be in accordance with an agreed communications protocol to be approved from time to time by the Leadership Committee.

REVIEW

A review of the Leadership Committee and its Terms of Reference will be undertaken at the beginning of each electoral term as part of the development of the Waikato Triennial.

Document No: A411121

Report To: Council



Date: 30 October 2018

Subject: Deputation: Quotable Value New Zealand - General Revaluation 2018 of Waitomo District

Purpose of Report

- 1.1 The purpose of this business paper is:
- to provide Council with an overview of the results of the 2018 General Revaluation of the Waitomo District and,
 - to advise Council that representatives from Quotable Value New Zealand (QVNZ) will be in attendance at the meeting at 1 pm to provide a briefing to Council on the revaluation.

Background

- 2.1 The Rating Valuations Act 1998 requires that every property in New Zealand must be revalued for rating purposes at least once every three years.
- 2.2 The last revaluation for the Waitomo District occurred in September 2015 and therefore the revaluation was due to be undertaken again in September 2018.
- 2.3 QVNZ undertook the revaluation on behalf of Council, being Council's appointed Valuation Service Provider.
- 2.4 The 2018 General revaluation was carried out under the Rating Valuations Act 1998 and the Rating Valuations Rules (LINZS30300) which were effective from 1 October 2011.
- 2.5 In accordance with s.12 Rating Valuations Act 1998, the Public Notice advising that the roll is open for inspection and notifying the community of objection timeframes was inserted in the Waitomo News on 25 October 2018.
- 2.6 **The values from the 2018 district revaluation will be used for rating purposes from 1 July 2019.**
- 2.7 The following table contains the high level summary of the General Revaluation Process which was presented to Council 1 May 2018 and the status of the key milestones.

Key Milestone	Description	Date of Action
Data Integrity Checks	Includes review of data and data cleansing, updating information on certificate of titles, Maori Freehold land properties, earthquake prone buildings, leaky homes.	April 2018 Completed

Key Milestone	Description	Date of Action
Market Surveys	Random surveys of rural, commercial and industrial properties to be sent to ratepayers in the Waitomo District as per Section 45 of the Rating Valuations Act.	April/May 2018 Completed
Rates Newsletter Mail out	A Rates Newsletter will be sent to ratepayers in July, along with the rates invoice and assessment for the 2018/2019 year. The Rates Newsletter will provide details on key information about the District Revaluation taking place in September and the objection process.	Information was provided in the Waitomo Way as this was available at approximately the same time as the rates invoices.
Waitomo Way	The August edition of the Waitomo Way will include a section outlining the key information about the District Revaluation including the objection process.	August 2018 Completed
Revaluation of Utilities	Utility assets of electricity lines and gas distribution networks will be re-valued as per the Rating Valuations Rules 2008 – Section 7.	Sept 2018 Completed
OVG Audit Date and files to OVG	The final DVR file sent to the OVG for audit.	15 Oct 2018 Completed
Public Notice	Upon the Valuer-General's Certification of the General Revaluation, WDC will give public notice that the roll is open for inspection and notify the community of objection timeframes as per Rating Valuations Act – Section 12	25 Oct 2018 Completed
Valuation Service Provider presentation to Council	Richard Allen from Quotable Value will present the key highlights of the District Revaluation to the Elected Members.	October Council meeting In Progress
Valuation Notice Mail Out	Notice of General Revaluation will be sent to owners and ratepayers, detailing the new property values and information on how to object to the new values as per the Rating Valuations Act – Section 13	31 Oct 2018
Objections Close	Owners and ratepayers have 30 working days in which to lodge an objection after receiving the above valuation notice. Objections must be received by 7 December 2018. Objections are then forwarded to Quotable Value for further review of the values as per Rating Valuations Rules 2008 – Section 6	7 Dec 2018
Ratepayers notified of result of objection	Once Quotable Value completes their review, owners and ratepayers will be notified of the result of their objection. If owners are still not satisfied with their value, they have the opportunity to have their objection heard by the Land Valuation Tribunal. (Separate process with the Land Valuation Court)	As each objection is reviewed

Overview of Results

- 3.1 There are 5909 assessments in the Waitomo District.
- 3.2 The majority of properties (in terms of the number of rating units) in the District are Residential (41%), followed by Lifestyle (23%) and Farming (16%).
- 3.3 The overall capital value of the Waitomo District at 1 September 2018 is **\$3,614 billion** (including non-rateable properties), which is an **increase of 17.2%** from 2015.
- 3.4 The value of the District had increased by 2.2% in the last revaluation in 2015.
- 3.5 In terms of capital value, farming properties (pastoral and dairy) make up the majority of value in the District at 59%, Residential (13%) and Lifestyle (11%).
- 3.6 **Summary of valuation movements by sector.**

Sector	No of Assessments	2018 Capital Value	% Change
Farming	944	2,127,459	12.6
Crop & Specialist	5	8,095	15.3
Forestry & Mining	279	108,527	12.9
Lifestyle	1377	398,810	22
Residential	2445	469,144	45.4
Commercial	200	139,335	19.2
Industrial	108	57,144	16
Other	511	118,013	18.8
Utilities	40	186,974	6
TOTAL	5909	3,613,501	17.2

- 3.7 All categories have experienced growth in value over the last 3 years. The largest increase was for residential (45.4%) followed by Lifestyle (22%).
- 3.8 It is clear that the revaluation is going to have a significant impact on residential properties. Within the residential category the individual communities have moved as follows:

Te Kuiti	60-75%
Piopio	45%
Mokau	10%
Benneydale	50%

As the increases to properties located in Te Kuiti, Piopio and Benneydale are considerably higher than the overall district increase (17.2%), it is likely that these property owners will see a significant increase in the rates charged on the basis of capital value from 1 July 2019, particularly property owners in Te Kuiti.

- 3.9 The Objections process is due to start soon and there is a potential for changes to individual property values as part of this process.

Approval of the Valuer General

- 4.1 The District revaluation is required to undergo a review by the Valuer General.
- 4.2 The Valuer General has advised that in his view, the proposed values file and associated data comply with the relevant Rating Valuations Rules and meet the minimum standards for a fair and consistent property valuation system.
- 4.3 Accordingly, the Waitomo District General Revaluation has been approved for implementation. Report from the Valuer General is included as **Attachment 1**.
- 4.4 An assessment of the General Revaluation on individual property values and rates will be carried out once the approved property values have been received into Council's database (intended to be by November 2018).
- 4.5 This information is from the basis document as provided by Quotable Value in September 2018. There is a possibility that there have been some changes to values during the auditing process. Richard Allen from Quotable Value will be presenting to Council, at the meeting with the final values.

Suggested Resolutions

1. That the business paper Deputation: Quotable Value New Zealand - General Revaluation 2018 of Waitomo District be received.
2. The Deputation from Quotable Value New Zealand - 2018 General Revaluation of Waitomo District be received.
3. The report from the Valuer General on his review of the general revaluation of the Waitomo District as at 1 September 2018, as undertaken by Quotable Value, be received.
4. Subject to the outcome(s) of the objections process, Council approve the 2018 District General Revaluation.



VIBHUTI CHOPRA
GROUP MANAGER CORPORATE SERVICES

19 October 2018

Attachment 1 Approval of the Valuer General on the General Revaluation as at 1 September 2018 (A411518)

**APPROVAL OF THE VALUER GENERAL
TO THE
CHIEF EXECUTIVE OF THE WAITOMO DISTRICT
COUNCIL ON THE GENERAL REVALUATION
AS AT 1 SEPTEMBER 2018**

I have completed my review of the 1.09.18 General Revaluation of Waitomo District undertaken on your behalf by Quotable Value Ltd. The review has focussed on the validated electronic data files, the basis, and other information provided to me, to facilitate the 'approval' of the general revaluation, in accordance with the Rating Valuations Act 1998 and the Rating Valuations Rules 2008.

Responsibilities

For the statutory responsibilities of each party refer to the relevant provisions of the Rating Valuations Act 1998, the Rating Valuations Regulations and the Rating Valuations Rules 2008.

Territorial Authorities own their respective district valuation rolls and as such are responsible for implementing mechanisms that enable them to provide assurance to the Valuer-General that the roll meets the requirements of the aforementioned Act, Regulations and Rules.

Within 15 working days of receipt of the validated electronic data files, basis, and other requested information, the Valuer-General is required to notify the territorial authority whether or not the proposed values are approved for implementation.

Scope of review

A review includes examining the adequacy of revaluation processes that are in operation, to enable the Valuer-General to provide an approval.

It is important to note that the review did not examine every valuation, and I do not guarantee complete accuracy of individual assessments.

The review was planned and performed so as to obtain information and evidence considered necessary to test whether the territorial authority had provided reasonable assurance that the General Revaluation complied with the standards. I also considered the adequacy of the supporting basis documentation and the general level of justification for the proposed values.

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My review included:

- reviewing the Basis information supplied;
- determining whether the control environment is working and can be relied on;
- analysing the validated data files;
- performing statistical analysis to identify anomalies;
- checking the accuracy of proposed values on a random sample of assessments; and
- concluding whether the district valuation roll meets the minimum standards for certification.

Approval

It is my view, based on the above, that the proposed values file and associated data comply with the relevant Rating Valuations Rules and meet the minimum standards for a fair and consistent property valuation system.

Accordingly, the Waitomo District General Revaluation is hereby approved for implementation.



Approved by

Neill Sullivan
Valuer-General

cc Quotable Value Limited

Document No: A411712

Report To: Council



Meeting Date: 30 October 2018

Subject: Motion to Exclude the Public for the Consideration of Council Business

Purpose of Report

- 1.1 The purpose of this business paper is to enable the Council to consider whether or not the public should be excluded from the consideration of Council business.

Commentary

- 2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives Council the right by resolution to exclude the public from the whole or any part of the proceedings of any meeting only on one or more of the grounds contained within that Section.

Suggested Resolutions

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 Council agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making: ...
- 3 The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
1. Te Kuiti Aerodrome Future Plan	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
2. Marokopa Camp Ground – Service Arrangements	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
3. Inframax Construction Limited – 2018 Annual General Meeting	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.



MICHELLE HIGGIE
EXECUTIVE ASSISTANT