

Document No: A388089

Report To: Council Workshop



Meeting Date: 27 March 2018

Subject: Adoption of the Solid Waste (asset) Management and Minimisation Plan Statement of Proposal

Purpose of Report

- 1.1 The purpose of this report is for Council to adopt the Statement of Proposal for the proposed Solid Waste (asset) Management and Minimisation Plan (SWaMMP).

Background

- 2.1 The existing SWaMMP was drafted in 2011 and adopted in June 2012 after public consultation which paralleled the 2012 Long Term Plan consultation period.
- 2.2 The structure of the proposed SWaMMP was initially developed as a regional template to assist territorial authorities in the Waikato and Bay of Plenty regions in their respective reviews. The template was modified to suit WDC's specific circumstances.
- 2.3 The legislative requirements for a Waste Management and Minimisation Plan arise from the Waste Minimisation Act 2008 (WMA). The purpose of the WMA is to:
- Protect the environment from harm; and
 - Provide environmental, social, economic and cultural benefits.
- 2.4 In WDC's case, the significant overlaps between a mandatory Waste Management and Minimisation Plan and WDC's Solid Waste Asset Management plan have been combined into a single SWaMMP.
- 2.5 The WMA states that the plans must be reviewed every six years.
- 2.6 Prior to commencing a review, the legislation requires completion of a waste assessment. This provides an overview of the district's future waste management demands, the options available to meet the forecast demands, and WDC's intended role and proposals for meeting those demands.
- 2.7 With any review, WDC must consider reduction, reuse, recycling, recovery, treatment and disposal as it relates to the management and minimisation of waste, as well as reflect national and regional waste strategy and policy. The proposed SWaMMP addresses recycling, collection and disposal of waste, use of Council waste facilities, use of litter bins, education and waste management for events.
- 2.8 A review was made of WDC's 2012 SWaMMP, and in-line with this review a series of changes are recommended for inclusion in the proposed SWaMMP. These recommendations are reflected in the Statement of Proposal and the draft proposed SWaMMP, attached.

- 2.9 A key requirement of the waste assessment, used to inform the SWaMMP review, is that WDC must consult with the Medical Officer of Health. That has recently been completed, and the outcomes of this review are summarised in this paper.

Commentary

- 3.1 The SWaMMP is a tool to be used, in consultation with communities, for the purpose of providing:
- Objectives and policies for effective and efficient waste management and minimisation
 - Methods for achieving effective and efficient waste management and minimisation, including:
 - collection recovery, recycling, treatment and disposal services to meet current and future waste management and minimisation needs; and
 - any waste management and minimisation facilities provided or to be provided, by the territorial authority; and
 - any waste management and minimisation activities, including any educational or public awareness activities, provided or to be provided, by the territorial authority
 - How the SWaMMP implementation will be funded
 - If the territorial authority wishes to make grants or advances of money in accordance with the WMA, the framework for doing so.
- 3.2 The WMA requires that plans give consideration in descending order of priority to the following areas:
- Reduction;
 - Reuse;
 - Recycling;
 - Recovery;
 - Treatment; and
 - Disposal.
- 3.3 The SWaMMP assists in protecting public health and the natural environment from the detrimental effects of residual solid waste collection, transport and disposal and managing the needs of the community for waste diversion and disposal.
- 3.4 The SWaMMP supports Council's vision of "Creating a better future with vibrant communities and thriving business" by:
- Protecting public health and safety
 - Enabling economic growth
 - Using natural resources in a sustainable manner
 - Promoting efficient waste management that minimises environmental harm

- 3.5 The review of the SWaMMP identified a series of adjustments to the existing plan in order to effectively manage the needs of the community in relation to waste management, and these are discussed under the heading 'Proposals', further in this document. Key suggested changes identified relate to:
- A. Relocate the Awakino Transfer Station to Mokau.
 - B. Complete minor works throughout the District's waste disposal sites and transfer stations.
 - C. Increase education and promotion of waste minimisation.

Consultation

- 3.6 As part of the review and adoption of the SWaMMP, Council must undertake public consultation by way of a special consultative procedure as per section 83 of the Local Government Act 2002, before making any changes and adopting a final plan. The recent waste assessment must be notified with the statement of proposal.
- 3.7 It is proposed that this consultation is run in parallel with the Long Term Plan (LTP) consultation and adoption process.
- 3.8 Council will have the opportunity to consider and adopt the proposed SWaMMP for consultation at its meeting of 27 March 2018.

<h3>Specific Proposals included in the Statement of Proposal</h3>
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A. Relocate the Awakino Transfer Station

- 4.1 Over the last 2 years various service utilisation investigations and informal surveys has been done to determine the effectiveness of the location of the Awakino/Mokau transfer station and it was found that the current location of the Awakino transfer station makes it ineffective.
- 4.2 There is low customer utilisation. When visitors vacate a batch after a weekend break away they do not dispose of their recycling and waste at the transfer station due to the remote location, thus the service does not promote responsible waste management in the area. This in turn contributes the overuse of public recycling stations and community street side waste bins within Mokau, which is causing public concern.
- 4.3 The existing site has been identified as a health and safety risk. WDC has a responsibility to keep staff, contractors and users safe. Transfer stations can be high risk sites in the best circumstances however issues are amplified at the current site. The transfer station is only ever staffed by one person at a time but there is difficulty implementing a cost effective Lone Worker policy due to the limited cell phone coverage and isolated nature of the site. The implications of these risks have caused concerns with both permanent and relief staff and has resulted in the levels of service being compromised at different times.
- 4.4 The Regional Council has raised concerns about the unregulated and unmanaged dumping of green waste at Tainui Wetere Reserve. These concerns have been considered, with an option to address incorporated into the concept to co-locate greenwaste disposal within the proposed relocated transfer station facility as indicated in Figure 2 below.

- 4.5 **Option 1 (Recommended):** Relocate the transfer station to Mokau
- 4.6 It is recommended that Council relocate the Transfer Station from Manganui Road in Awakino, to the corner of State Highway 3 and Oha Street in Mokau.
- 4.7 The site is currently owned and used by Inframax as a depot. The transfer station is proposed to be located on a portion of the depot yard where the timber water tank used to be (made redundant and removed after establishment of water reservoirs at the treatment plant). The footprint of the transfer station will be no larger than where the water services utilities used to be.
- 4.8 The proposed Transfer station location has been discussed with ICL who has agreed in principal to the relocation of this service onto the site.
- 4.9 It is believed moving the transfer station to Mokau would increase utilisation and as such better meet waste minimisation and management goals. This increase would occur as a result of improved access to the service. It would also address the issues the community has with the over use of the current street side litter bins and recycling station.
- 4.10 The management of green waste disposal in the area will be improved with the co-location of this service within the transfer station. The environmental concerns raised by WRC will be addressed and the community needs re green waste disposal options better met.
- 4.11 The proposed relocation would also address the increased health and safety risks caused by an isolated, unpowered site. A consistent level of service would be able to achieved going forward as staffing concerns will have been addressed.
- 4.12 **Communication to date (Pre-consultation)**
- 4.13 Pre-consultation was undertaken at the end of 2017, to test community opinion of the relocation proposal.
- 4.14 The feedback received can be summarised into two key findings;
- Opposition to the relocation of the transfer station within the village boundary.
 - General comments regarding street side litterbins, location of the recycling bin and the solid waste service clearance frequencies.
- 4.15 A petition was sent to WDC to register opposition to the relocation to the ICL site. Unfortunately this occurred before an actual detailed proposal and reasoning behind the proposal was presented to the community. Fifty one (51) people have signed the petition.
- 4.16 Opposition is mainly driven by a perceived potential loss of amenity values – increased odour, pests, littering, visual pollution and concerns around traffic management. Whilst valid concerns in general, in this case they identify the lack of understanding the community currently has for the options available to WDC to avoid, mitigate or remedy those potential adverse effects. The formal consultation process is therefore an opportunity to provide more comprehensive information and ensure the local community can make more fully informed decisions.
- 4.17 The draft Statement of Proposal (attached), used as the basis for consultation with the community on this issue includes further information to help the community make a fully informed decision on this proposal in light of this feedback. This information includes:

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- The proposed location for the Mokau Transfer Station is within urban boundaries. Therefore, the proposal will describe measures to be taken in addition to those currently utilised in other transfer stations in the district to mitigate, reduce or remove adverse effects associated with transfer stations.
- A transfer station is not a landfill – at the proposed new site, all litter and recycling will be contained in bins with lids which will ensure litter is contained onsite. The relocation will also provide an opportunity to collocate the green waste management that will mitigate any future environmental matters that might arise.
- The use of new top loading bins to contain the solid waste at the transfer station will change from what we do currently at Awakino. Smaller bins with lids which will mitigate any odour issues.
- In terms of visual amenity, immediately adjacent to the site (on the north and western boundaries) there is well established tree and vegetation screening. The eastern boundary currently has sporadic screening, and a planting programme is planned to address this to ensure this boundary also provides adequate screening.
- There are residential properties in Mokau on the hill to the east, which have a partial overview of the site. Images of the site, further in this paper as Figures 1 and 2, show the site as it currently stands, as well as a proposed mock-up of the transfer station layout. As it is already an industrial site, it is proposed there is no material difference with regards to the visual amenity from above, It must be noted that the Timber tank and pump station shown in Fig. 1 has been disestablished and removed from site, thus the TFS footprint will be exactly where this service used to be.
- Traffic Control: The access to the site is not from the State Highway, and traffic on the site will be controlled to ensure the existing traffic activity from ICL (including large trucks) will be delineated from the public accessing the transfer station.
- Existing services are under pressure with amenity and odour issues arising from overflowing bins. The relocation of the transfer station will make it a more accessible site than Awakino. It will address the current litter issues in the village and will include a managed colocation green waste area.



Figure 1: Current site at Mokau, showing the ICL yard



Figure 2: Proposed layout of Transfer Station showing greenwaste, portacom, wheelie bin, and refuse bin locations



B. Minor Works Adjustments – Transfer Stations

- 4.18 As the needs of our communities change, Council's services and the way in which it operates must also change. National requirements can also require Council to make adjustments to how we operate our services. As a consequence, a series of minor works have been identified within the SWaMMP for transfer stations throughout the district.
- 4.19 **Option 1 (Recommended):** Undertake minor works
- 4.20 The SWaMMP proposes:
- Improved safety features and presentation at transfer stations.
 - Review and improve accessibility to transfer stations and recycling drop off centres.
 - Establishes hazardous waste collection at Te Kuiti Transfer Station.
 - Ensures recycling facilities are provided at all events hosted on WDC Property.
- 4.21 **Option 2:** Defer minor works and complete in an ad-hoc basis
- 4.22 This option is not recommended.

C. Increase education and promotion of waste minimisation.

- 4.23 Currently, more than 50% of the waste collected in refuse bags is recyclable. This means that half of all recyclable material in the district fills up Council's landfill instead of being recycled.
- 4.24 Waste minimisation is about the actions we can take as a community to divert waste from going to the landfill. This includes reducing the waste we create, then reusing and recycling as much as we can.
- 4.25 **Option 1 (Recommended):** Increase education and promotion of waste minimisation.
- 4.26 It is recommended that WDC run programmes from 2018 to 2021 covering:
- Home composting schemes
 - Waste minimisation schemes
- 4.27 This will encourage the community to divert and reduce waste entering into landfill.
- 4.28 **Option 2:** Zero intervention in seeking minimisation of waste to landfill
- 4.29 This option is not recommended.

Consultation

- 5.1 As noted earlier, review and adoption of a SWaMMP requires a special consultative procedure. This is a legislative requirement and is also consistent with the application of Council's Significance and Engagement Policy.

- 5.2 In advance of this business paper, community views have been informally sought regarding the relocation of the transfer station from Awakino to Mokau (discussed at paragraphs 4.14 to 4.16 of this business paper).
- 5.3 The documentation required for the draft SWaMMP special consultative procedure differs from that required for the draft Long Term Plan, but otherwise parallels the same minimum consultation period and submission process. It will involve:
- adoption of Statement of Proposal for consultation (in Attachment 1 of this report);
 - public consultation period of one month;
 - an opportunity for people wishing to present their views to Council in person; and
 - Council's decision making and adoption of the SWaMMP.
- 5.4 The proposed timetable for the consultation and adoption process is set out below. This is parallel with the Long Term Plan consultation and adoption process to ensure consistency.

Key milestone	Timeframe
Council meeting Council adopt the proposed Solid Waste (Asset) Management and Minimisation Plan (SWaMMP) for public consultation.	Tuesday 27 March 2018
Public consultation period The proposed SWaMMP is available for feedback.	From Thursday 5 April 2018 until 5pm on Friday 4 May 2018
Hearing An opportunity for submitters to speak in support of their submission to Councillors.	Monday 14, Tuesday 15 May 2018
Council meeting - deliberation Deliberation of submissions received, decision making on any changes to the SWaMMP.	Tuesday 29 May 2018
Council meeting - adoption Council adopts the final 2018 SWaMMP.	Tuesday 26 June 2018

Suggested Resolutions

- 1 Council adopt the DRAFT SWaMMP and the Statement of Proposal for public consultation.
- 2 Council adopt the public consultation timeline as follows:

Key milestone	Timeframe
Council Meeting Council adopt the proposed Solid Waste (Asset) Management and Minimisation Plan (SWaMMP) for public consultation.	Tuesday 27 March 2018

Public Consultation Period The proposed SWaMMP is available for feedback.	From Thursday 5 April 2018 until 5pm on Friday 4 May 2018
Hearing An opportunity for submitters to speak in support of their submission to Councillors.	Monday 14, Tuesday 15 May 2018
Council Meeting - Deliberation Deliberation of submissions received, decision making on any changes to the SWaMMP.	Tuesday 29 May 2018
Council Meeting - Adoption Council adopts the final 2018 SWaMMP.	Tuesday 26 June 2018



KOBUS DU TOIT
GENERAL MANAGER – INFRASTRUCTURE SERVICES

19 March 2018

Attachments: 1 Statement of Proposal (A379930)

Separate Enclosure: 1 Proposed Solid Waste (Asset) Management and Minimisation Plan 2018 incorporating the 2017 Waste Assessment (A364481).



WAITOMO DISTRICT COUNCIL

PO Box 404, Te Kuiti 3941 | Ph: (07) 878 0800 | Fax: (07) 878 7771

Statement of proposal: Solid Waste (Asset) Management and Minimisation Plan 2018 *(incorporating the 2017 Waste Assessment)*

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Reasons for the proposal

Waitomo District Council (WDC) is seeking feedback on its proposed Solid Waste (Asset) Management and Minimisation Plan (SWaMMP). The proposed SWaMMP will guide the work WDC does in managing and minimising rubbish and recycling in the Waitomo district.

Most of the things we do, buy and consume generate some form of waste. This not only costs money when we have to throw things away, but, if we don't manage it properly, it can cause problems with the environment and with people's health.

District Councils have a statutory role in managing waste. Councils are required under the Waste Minimisation Act 2008 to promote effective and efficient waste management and minimisation within the district. A key part of doing this is to adopt a SWaMMP. Councils also have obligations under the Health Act 1956 to ensure that our waste management systems protect public health.

The SWaMMP sets the priorities and strategic framework for managing waste in the Waitomo District. Once the plan is finalised, actions will be carried forward into WDC's long term and annual plans to ensure the resourcing is available to deliver the Plan's goals and objectives.

This document provides an overview of the proposed changes to WDC's SWaMMP, and information for how to have your say on the changes.

What is solid waste?

Put simply, it means everything we throw away – mostly household rubbish and recycling, but it does include commercial rubbish, and industrial rubbish such as leftover material from building sites.

Waste Management is a cost for all communities in New Zealand including Waitomo District Council, however a reasonable portion of this cost is controllable by active community participation in waste minimisation.

Waste minimisation is about the actions we can take as a community to divert waste from going to the landfill. This includes **reducing** the waste we create, then **reusing** and **recycling** as much as we can.

More often than not we are throwing out things that could be used again in a better way, such as food waste to compost and items that could be recycled.

Key matters

WDC must review its SWaMMP every six years. In doing so, WDC must consider reduction, reuse, recycling, recovery, treatment and disposal as it relates to the management and minimisation of waste, as well as reflect national and regional waste strategy and policy. The proposed SWaMMP addresses recycling and collection of waste, use of council waste facilities, use of litter bins, and waste management for events.

The SWaMMP supports Council's vision of "Creating a better future with vibrant communities and thriving business" by:

- Protecting public health and safety
- Enabling economic growth
- Using natural resources in a sustainable manner
- Promoting efficient waste management that minimises environmental harm

As an outcome of the most recent review there are a series of changes proposed, and WDC is seeking community feedback on these proposed changes:

1. Relocate the Awakino/Mokau Transfer Station to Mokau.
2. Complete minor works throughout the District's waste disposal sites and transfer stations.
3. Increase education and promotion of waste minimisation.

1 Relocation of the Awakino/Mokau Transfer Station

Background

The current location of the Awakino/Mokau transfer station has raised both public usage and health and safety concerns, given its geographic isolation.

It is believed that the current location of the transfer station contributes to its low usage, as well as the overflow of waste at the public recycling station and community waste bins. There is also a growing environmental concern from the Waikato Regional Council regarding the disposal of green waste at the existing disposal area within Mokau. It is believed moving the transfer station to Mokau would help address this issues through improving access to the service and better environmental management through colocation of green waste within the transfer station, this will better reflect the community need for the service and address the growing pressure that tourism has on the area which will lead to financial benefits.

WDC has a responsibility to keep its staff and contractors safe. As the transfer station is only ever staffed by one person at a time, concerns have been raised regarding health and safety implications of the current location. The proposed relocation will help address these concerns.

Proposal

Council proposes to relocate the Transfer Station from Manganui Road in Awakino, to the corner of State Highway 3 and Oha Street in Mokau, within the Inframax Depot, to improve utilisation and health and safety.

Local amenity

Council is acutely aware that the proposed location for the Awakino/Mokau Transfer Station is within urban boundaries. Therefore, measures will be taken and put in place to mitigate, reduce or remove adverse effects associated with transfer stations.

New smaller self-contained top loading waste bins with lids will be introduced which will mitigate any odour or litter issues, wheelie bins for recycling as per normal practice will be utilised, in addition, an area for the management of green waste will be introduced as a colocation service at this transfer station to address the environmental concerns raised by WRC.

In terms of visual amenity, immediately adjacent to the site (on the north and western boundaries) there is well established tree and vegetation screening. The eastern boundary currently has sporadic screening, and a planting programme is planned to address this to ensure this boundary also provides adequate screening.

There are residential properties in Mokau on the hill to the east, which have an aerial view of the site. We've included some pictures in this statement of proposal, on the next page, to show the site as it currently stands, as well as a proposed mock-up of the transfer station layout. As it is already an industrial site, it is proposed there is no material difference with regards to the visual amenity from above. It must be noted that the Timber tank and pump station shown in Fig. 1 has been disestablished and removed from site, thus the TFS footprint will be exactly where this service used to be.

Traffic control has been considered. The access to the site is not from the State Highway, and traffic on the site will be controlled to ensure the existing traffic activity from ICL (including large trucks) will be delineated from the public accessing the transfer station.

The relocation of the transfer station will make it a more accessible site than Awakino and will address the current litter issues in the village. Existing services are under pressure with amenity and odour issues arising from overflowing street side litter bins.

A transfer station is not a landfill!

The proposed new site will have all litter and recycling contained in bins with lids, which will ensure litter is contained onsite.



Health and Safety

Concerns have been raised regarding the utilisation of the site in a safe manner. All practicable steps will be taken to ensure the safety of both the public and employees on site as set out by the Health and Safety at work act 2015.

Figure 1: Current site at Mokau, showing the ICL yard



Figure 2: Proposed layout of Transfer Station showing greenwaste, portacom, wheelie bin, and refuse bin locations



2 Complete minor works throughout the District's waste disposal sites and transfer stations.

Background

As the needs of our communities change, our services and the way in which we operate must also change. National requirements such as legislation or regulation can also require us to make adjustments to how we operate our services. As a consequence, a series of minor works have been identified at transfer stations throughout the district.

Proposal

Council proposes to:

- a) Improve safety features and presentation at transfer stations.
- b) Review and improve accessibility to transfer stations and recycling drop off centres.

3 Waste Minimisation Promotion

Background

Council proposes a project to promote waste minimisation options to our community. Currently, more than 50% of the waste collected in refuse bags is recyclable. This means that half of all recyclable material in the district fills up our landfill instead.

Proposal

It is proposed that WDC will run programs from 2018 to 2021 covering:

- a) Home composting schemes
- b) Waste minimisation schemes
- c) The promotion of solid waste management at all events hosted on WDC Properties.

Consultation and Submissions

Council must review the SWaMMP at least every six years, and seek the public's view on the proposal. WDC's current SWaMMP was adopted by Council after public consultation in 2012.

Anyone can make a submission and we encourage you to tell us your views. A submission form is attached to this document. This Statement of Proposal is available from:

- Waitomo District Council office in Queen Street Te Kuiti,
- Waitomo District Library, 28 Taupiri Street, Te Kuiti
- The Old Piopio Post Office Gallery, 45 Moa St, Piopio
- Mokau Museum and Gallery, 33 North St, Mokau
- Café Kai and Bar, 15 Waitomo Village Rd, Waitomo
- Benneydale Foodmarket Ltd, 34 Ellis Road, Benneydale
- Marokopa Camp Ground, 1 Rauparaha St, RD 8 Te Kuiti, Marokopa.

Councils website at www.waitomo.govt.nz/SWaMMP_2018

Please contact Council on (07) 878 0800 or at consultation@waitomo.govt.nz with any queries.

The consultation period for the plan will begin on Thursday 5 April 2018 and conclude at 5pm on Friday 4 May 2018.

Submissions may be submitted to Council by post, hand delivery or email. Details of each of these methods are as follows:

- **Email:** consultation@waitomo.govt.nz
- **Post:**
Waitomo District Council,
PO Box 404,
Te Kuiti 3941
- **Hand Delivery:**
Waitomo District Council, Queen Street, Te Kuiti

Key dates

Key milestone	Timeframe
Council meeting Council adopt the proposed Solid Waste (Asset) Management and Minimisation Plan (SWaMMP) for public consultation.	Tuesday 27 March 2018
Public consultation period The proposed SWaMMP is available for feedback.	From Thursday 5 April 2018 until 5pm on Friday 4 May 2018
Meet your councillors Your Elected Members are keen to hear what you think about our plan. All of these meetings are open to the public. Come and discuss your views at these planned events, or contact any of your Elected Members directly.	
BENNEYDALE The Benneydale Hall, Maniaiti Road, Benneydale.	Tuesday 17th April 2018 at 7.30pm
TE KUITI The Les Munro Centre, King Street East, Te Kuiti.	Monday 23rd April 2018 at 7.00pm
PIOPIO The Piopio Memorial Hall, Corner Moa Street and Weka Street, Piopio.	Thursday 26th April 2018 at 7.00pm
MOKAU The Mokau Memorial Hall, 28 North Road, Mokau.	Saturday 28th April 2018 at 1.00pm
MAROKOPA The Coast Sport and Recreation Centre, Carley Reeve Drive, Marokopa	Sunday 15th April 2018 at 10.30am
TE WAITERE The Te Waitere Boating Club, Te Waitere Road.	Friday 13th April 2018 at 6.00pm
Hearing An opportunity for submitters to speak in support of their submission to Councillors.	Monday 14, Tuesday 15 May 2018
Council meeting Deliberation of submissions received, decision making on any changes to the SWaMMP.	Tuesday 29 May 2018
Council meeting Council adopts the final 2018 SWaMMP.	Tuesday 26 June 2018

Remember, submissions close at 5pm on Friday 4 May 2018.



Proposed Solid Waste (Asset) Minimisation Management Plan 2018

Submission Form

Post to: Waitomo District Council P O Box 404 TE KUITI 3941	Email to: consultation@waitomo.govt.nz (submissions must include the information requested on this form)	Fax to: 07 878 7771
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Remember: Consultation closes at 5pm on Friday 4 May 2018

Submission period: 5 April 2018 to 4 May 2018 Hearing Dates: 14 and 15 May 2018

Feedback Form: Tell us what you think		Tick box
Name	Hearing	
Address	I wish to speak in support of my submission at the hearing on this proposal in Te Kuiti	<input type="checkbox"/>
	I do not wish to speak in support of my submission	<input type="checkbox"/>
Email	Phone	
Do you support Council's proposals?	Yes	No
1 Relocate the Awakino Transfer Station to Mokau.		
2 Complete minor works throughout the District's waste disposal sites and transfer stations.		
3 Increase education and promotion of waste minimisation.		
Provide any additional feedback below (attach extra paper as required)		
Please note: When making a submission, the submission forms are part of the public consultation process and public record, and as such, will be reproduced as an attachment to a publicly available Council Agenda and will remain on Council minute records.		

Document No: A387808

Report To: Council



Meeting Date: 27 March 2018

Subject: **Adoption of Supporting Information for the 2018-28 Long Term Plan Consultation Document**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present the information which supports the Consultation Document (Supporting Information) for adoption by Council for consultation.

Background

- 2.1 The Consultation Document (CD) is used as the basis of engagement with the community on the Long Term Plan (LTP).
- 2.2 The CD should provide an effective basis for public participation in the decision-making processes relating to the content of a Long Term Plan (LTP).
- 2.3 Before adopting the CD for consultation, Council must first adopt the information that:
- Is relied on by the content of the CD
 - Is necessary to enable the Auditor to provide their report
 - Provides the basis for the preparation of the LTP.
- 2.4 The information set out in paragraph 2.3 above is called the Supporting Information.

Commentary

- 3.1 The Supporting Information that the CD relies on is listed below:
1. Vision, Strategic Direction and Community Outcomes
 2. Service Levels and Performance Management Framework
 3. Planning/Forecasting Assumptions
 4. Significance and Engagement Policy

5. Activity and Asset Management Plans
 - 5A. Housing and other Property Asset Management Plan
 - 5B. Recreation and Culture Asset Management Plan
 - 5C. Public Amenities Asset Management Plan
 - 5D. Parks and Reserves Asset Management Plan
 - 5E. Community Development Activity Management Plan
 - 5F. Compliance Activity Management Plan
 - 5G. Stormwater Asset Management Plan
 - 5H. Sewerage and the treatment and disposal of Sewage Asset Management Plan
 - 5I. Water Supply Asset Management Plan
 - 5J. Roads and Footpaths Asset Management Plan
 6. Infrastructure Strategy
 7. Financial Strategy
 8. Revenue and Financing Policy
 9. Rates Remission Policy
 10. Treasury Policy
 11. Financial Information
 - 11A. Financial Statements
 - 11B. Rating impact and examples
 - 11C. Accounting Policies
 - 11D. Cost of Service Statements
 - 11E. Benchmark graphs and disclosure statement
 12. Policy on Appointment of Directors to CCOs
- 3.2 The Solid Waste Asset Management Plan is incorporated into the Solid Waste (asset) Management and Minimisation Plan (SWaMMP), received by Council in a separate paper at this meeting. The SWaMMP also forms part of the Supporting Information for the CD.
- 3.3 The documents contained in the Supporting Information pack listed in 3.1 above are enclosed separately and form part this business paper.
- 3.4 All of this information has been discussed with Council at different LTP Workshops either as stand-alone documents (for example, the policies and strategies) or as part of Activity or Asset Management Plan discussions.
- 3.5 The historic detail of the review of the Supporting Information at Council Workshops is set out below:

Documents/ Information	Council Workshops
1. Vision, Strategic Direction and Community Outcomes	LTP Workshop #1 - 8 August 2017
2. Service Levels and Performance Management Framework	LTP Workshop #5 - 10 October 2017

Documents/ Information	Council Workshops
3. Planning/Forecasting Assumptions	LTP Workshop #2 – 15 August 2017
4. Significance and Engagement Policy	LTP Workshop #1 - 8 August 2017
5. Activity and Asset Management Plans (AMPs) including the SWaMMP	AMP discussions held across three workshops: LTP Workshop #3 – 5 September 2017 LTP Workshop #4 – 17 October 2017 LTP Workshop #5 – 10 October 2017
6. Infrastructure Strategy	LTP Workshop #7 – 21 November 2017
7. Financial Strategy	LTP Workshop #2 - 15 August 2017 LTP Workshop #6 - 9 November 2017 LTP Workshop #11 – 6 March 2018
8. Revenue and Financing Policy	LTP Workshop #6 - 9 November 2017 LTP Workshop #10 – 20 February 2018 LTP Workshop #11 – 6 March 2018
9. Rates Remission Policy	LTP Workshop #6 - 9 November 2017 LTP Workshop #11 – 6 March 2018
10. Treasury Policy	LTP Workshop #2 – 15 August 2017
11. Financial Information	LTP Workshop #9 – 13 February 2018 LTP Workshop #10 – 20 February 2018
12. Policy on Appointment of Directors to CCOs	LTP Workshop #1 - 8 August 2017

- 3.6 Deloitte, Council's auditors, have reviewed the Support Information and the CD itself in advance of public consultation and this adoption meeting. The audit was comprehensive and while no major issues were found by the auditors, several points of clarification were sought and minor edits to the documentation were made as a result of this feedback.

Analysis of Options

- 4.1 Option 1: adoption of the Supporting Information for the 2018-28 Long Term Plan Consultation Document for consultation (recommended)**
- 4.2 The Supporting Information, which attached separately and forms part of this business paper, is an accumulation of work undertaken by Council and is the basis of the conversation with the community on how they wish to shape the district for the next 10 years.
- 4.3 Council is required to adopt an LTP before the end of June 2018, following a special consultative procedure which uses a Consultation Document to communicate key consultation topics. This process allows Council to set the budgets and work

programmes for the next 10 years whilst allowing for public participation in the decision making process.

4.4 Option 2: Council does not adopt the Supporting Information for the 2018-28 Long Term Plan Consultation Document for consultation (not recommended)

4.5 The LGA, section 93 specifically requires that:

- (a) A local authority must, at all times, have a long-term plan under this section.
- (b) A local authority must use the special consultative procedure in adopting a long-term plan.
- (c) A long-term plan must be adopted before the commencement of the first year to which it relates, and continues in force until the close of the third consecutive year to which it relates.

4.6 This option would put Council at risk for not being able to adopt a Long Term Plan before the end of June 2018 and may result in Council becoming legislatively non-compliant.

Considerations

5.1 Risk

5.2 There are no substantive risk associated with the preferred option. Council has a comprehensive Communications and Engagement Strategy to deliver the consultation process, and has been subjected to an audit to ensure legislative compliance.

5.3 Consistency with Existing Plans and Policies

5.4 The Supporting Information for the 2018-28 LTP Consultation Document is consistent with existing plans and policies.

5.5 Significance and Community Views

5.6 This decision triggers Council's Significance and Engagement Policy. Council is required to conduct a Special Consultative Procedure on the CD and its supporting information, as per the requirements in the Local Government Act 2002.

Recommendation

6.1 Council adopt the Supporting Information for the 2018-28 Long Term Plan Consultation Document for Public Consultation.

Suggested Resolutions

- 1 The business paper on "Adoption of Supporting Information for the 2018-28 Long Term Plan Consultation Document" be received.
- 2 That the Supporting Information for the 2018-28 Long Term Plan Consultation Document be adopted for public consultation:
 1. Vision, Strategic Direction and Community Outcomes
 2. Service Levels and Performance Management Framework
 3. Planning/Forecasting Assumptions
 4. Significance and Engagement Policy
 5. Activity and Asset Management Plans
 - 5A. Housing and other Property Asset Management Plan
 - 5B. Recreation and Culture Asset Management Plan
 - 5C. Public Amenities Asset Management Plan
 - 5D. Parks and Reserves Asset Management Plan
 - 5E. Community Development Activity Management Plan
 - 5F. Compliance Activity Management Plan
 - 5G. Stormwater Asset Management Plan
 - 5H. Sewerage and the treatment and disposal of Sewage Asset Management Plan
 - 5I. Water Supply Asset Management Plan
 - 5J. Roads and Footpaths Asset Management Plan
 6. Infrastructure Strategy
 7. Financial Strategy
 8. Revenue and Financing Policy
 9. Rates Remission Policy
 10. Treasury Policy
 11. Financial Information
 - 11A. Financial Statements
 - 11B. Rating impact and examples
 - 11C. Accounting Policies
 - 11D. Cost of Service Statements
 - 11E. Benchmark graphs and disclosure statement
 12. Policy on Appointment of Directors to CCOs.
- 3 That the Chief Executive be delegated authority to make any final editorial amendments to the Consultation Document and the Supporting Information, if required, prior to commencement of the consultation period on 5 April 2018.

VIBHUTI CHOPRA
GROUP MANAGER – CORPORATE SERVICES

21 March 2018

Separate Attachments:**Supporting Information for Consultation Document on the 2018-28 Long Term Plan:**

1. Vision, Strategic Direction and Community Outcomes
2. Service Levels and Performance Management Framework
3. Planning/Forecasting Assumptions
4. Significance and Engagement Policy
5. Activity and Asset Management Plans
 - 5A. Housing and other Property Asset Management Plan
 - 5B. Recreation and Culture Asset Management Plan
 - 5C. Public Amenities Asset Management Plan
 - 5D. Parks and Reserves Asset Management Plan
 - 5E. Community Development Activity Management Plan
 - 5F. Compliance Activity Management Plan
 - 5G. Stormwater Asset Management Plan
 - 5H. Sewerage and the treatment and disposal of Sewage Asset Management Plan
 - 5I. Water Supply Asset Management Plan
 - 5J. Roads and Footpaths Asset Management Plan
6. Infrastructure Strategy
7. Financial Strategy
8. Revenue and Financing Policy
9. Rates Remission Policy
10. Treasury Policy
11. Financial Information
 - 11A. Financial Statements
 - 11B. Rating impact and examples
 - 11C. Accounting Policies
 - 11D. Cost of Service Statements
 - 11E. Benchmark graphs and disclosure statement
12. Policy on Appointment of Directors to CCOs

Document No: A388242

Report To: Council



Meeting Date: 27 March 2018

Subject: **Adoption of the 2018-28 Long Term Plan Consultation Document for Consultation**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this report is to present the Consultation Document for the 2018-28 Long Term Plan (LTP) for adoption for public consultation.

Background

- 2.1 Council is required to prepare a Long Term Plan and review it every 3 years. The latest review of the LTP is being carried out for the 2018-28 period.
- 2.2 As a result of amendments to the Local Government Act 2002 (LGA) in August 2014, Councils are required to prepare a Consultation Document (CD) for engaging with the community on the proposals intended to be included in the LTP. This is the second LTP prepared in this way since the amendments.
- 2.3 The purpose of the CD as set out in section 93B of the Local Government Act 2002 (LGA) is to provide an effective basis for public participation in local authority decision-making processes relating to the content of a long-term plan by—
- (a) providing a fair representation of the matters that are proposed for inclusion in the long-term plan, and presenting these in a way that—
 - (i) explains the overall objectives of the proposals, and how rates, debt, and levels of service might be affected; and
 - (ii) can be readily understood by interested or affected people; and
 - (b) identifying and explaining to the people of the district or region, significant and other important issues and choices facing the local authority and district or region, and the consequences of those choices; and
 - (c) informing discussions between the local authority and its communities about the matters in paragraphs (a) and (b).
- 2.4 The CD must be a simple and concise summary of the proposed matters for the LTP and must not include a full draft of any policy or strategy or any detailed information that is not necessary or desirable to achieve the purpose of the CD.
- 2.5 The content of the CD has been prepared based on discussions held with Council through a series of workshops throughout 2017 and early 2018.

- 2.6 The draft Consultation Document was adopted by Council on 6 March 2018 for audit purposes.
- 2.7 The audit of the CD and the SI relied on by the CD was carried out in March 2018.
- 2.8 The consultation period for the CD will run from 5 April until 4 May 2018. The communications plan for consultation was presented to the Council meeting on 13 February 2018.

Commentary

Consultation Document

- 3.1 The attached CD outlines the consultation proposals and choices, where the Council is asking for community feedback before making a final decision. These proposals must include options, proposed action and resulting impact on rates, debt and levels of service.
- 3.2 There are also a number of topics that are included 'for information'. These topics provide context to the matters Council considered for the LTP but for a variety of reasons such as threshold of significance, being a requirement and therefore not a real choice or financial strategy consideration, are not considered to be consultation proposals.
- 3.3 They are included so that the community can understand them and provide feedback should they wish to.
- 3.4 In deciding what should be included in the CD, Council undertook analysis against both the requirements under the LGA as well as its Significance and Engagement Policy.

Audit

- 3.5 The mandatory audit process by Deloitte, including a 'hot review' by the Office of The Auditor General was carried out between 5 March and 15 March 2018.
- 3.6 The audit is required to assess
- whether the consultation document gives effect to the purpose set out in section 93B (of the LGA); and
 - the quality of the information and assumptions underlying the information provided in the CD.
- 3.7 Staff worked closely with auditors to ensure that the CD and the SI relied on by the CD met legislative requirements. Some changes were made to the CD based on feedback, which were not material. The changes were intended to provide more clarity and highlight some key areas.
- 3.8 The Audit Report on the CD will be provided by Deloitte once Council has adopted the CD (depending on changes sought by Council prior to adoption).

Consultation

- 3.9 The Communication Plan for the consultation on the CD has been endorsed by Council on 13 and 20 February 2018.

- 3.10 The consultation period will run from 5 April until 4 May 2018 and the key information/messages will be communicated to the community through a variety of channels - newspaper, social media, website and radio.
- 3.11 The CD will be distributed to every household as an insert in the Waitomo News.
- 3.12 Hardcopies of the CD will be made available at key locations:
- WDC Customer Services reception
 - Waitomo District Library
 - Cloverleaf Cave Piopio
 - Mokau Museum and Gallery
 - Waitomo Caves Discovery Centre
 - Benneydale Foodmarket
 - Marokopa Camping Ground
- 3.13 The Solid Waste (asset) Management and Minimisation Plan will be consulted on concurrently with the CD in the period 5 April until 4 May 2018. Hearings and deliberations are also proposed to be held on the same days as for the CD, and the plan will be presented to Council for adoption 26 June 2018, prior to the adoption of the 2018-28 LTP.
- 3.14 Councillor-led public meetings are planned to be held at the following locations
- BENNEYDALE - Tuesday 17th April 2018 at 7.30pm at the Benneydale Hall, Maniaiti Road Benneydale.
 - TE KUITI - Monday 23rd April 2018 at 7.00pm at the Les Munro Centre, King Street East, Te Kuiti.
 - PIOPIO - Thursday 26th April 2018 at 7.00pm at the Piopio Memorial Hall, Corner Moa Street and Weka Street, Piopio.
 - MOKAU - Saturday 28th April 2018 at 1.00pm at the Mokau Memorial Hall, 28 North Road, Mokau.
 - MAROKOPA - Sunday 15th April 2018 at 10.30am at the Coast Sport and Recreation Centre, Carley Reeve Drive, Marokopa.
 - TE WAITERE - Friday 13th April 2018 at 6.00pm at the Te Waitere Boating Club, Te Waitere Road.

Analysis of Options

- 4.1 Option 1: adoption of the 2018-28 Long Term Plan Consultation Document for consultation (recommended)**
- 4.2 The attached CD is a culmination of work undertaken over the last 10 months by Council and staff, and is the basis of the conversation with the community on initiatives to shape the district over the next 10 years.
- 4.3 Council is required to adopt an LTP before the end of June 2018, following a special consultative procedure which uses a Consultation Document to communicate key consultation topics. This process allows Council to set the budgets and work

programmes for the next 10 years whilst allowing for public participation in the decision making process.

4.4 Option 2: Council does not adopt the 2018-28 Long Term Plan Consultation Document for consultation (not recommended)

4.5 The LGA, section 93 specifically requires that:

- (a) A local authority must, at all times, have a long-term plan under this section.
- (b) A local authority must use the special consultative procedure in adopting a long-term plan.
- (c) A long-term plan must be adopted before the commencement of the first year to which it relates, and continues in force until the close of the third consecutive year to which it relates.

4.6 This option would put Council at risk of not being able to adopt a Long Term Plan before the end of June 2018 and may result in Council becoming legislatively non-compliant.

Considerations

5.1 Risk

5.2 There are substantive risks associated with not choosing the preferred option (Option 1) of non compliance with statutory timelines and budgeting and work planning requirements.

5.3 Council has a comprehensive Communications Plan to deliver the consultation process for the CD, and has been subjected to an audit to ensure legislative compliance and therefore proceeding with Option 1 carries no observable risks.

5.4 Consistency with Existing Plans and Policies

5.5 The Consultation Document is consistent with existing plans and policies.

5.6 Significance and Community Views

5.7 This decision triggers Council's Significance and Engagement Policy. Council is required to conduct a Special Consultative Procedure on the CD and its supporting information, as per the requirements in the Local Government Act 2002.

Recommendation

6.1 That Council adopt the Consultation Document for the 2018-28 Long Term Plan Consultation Document for Public Consultation.

Suggested Resolutions

- 1 The business paper on "Adoption of the 2018-28 Long Term Plan Consultation Document for Consultation" be received.
- 2 That the Consultation Document for the Long Term Plan 2018-28 be received.
- 3 That the Consultation Document for the proposed Long Term Plan 2018-28 be adopted for public consultation.

- 4 That the Chief Executive be delegated authority to make any final editorial amendments to the Consultation Document and the Supporting Information, if required, prior to commencement of the consultation period on 5 April 2018.



VIBHUTI CHOPRA

GROUP MANAGER – CORPORATE SERVICES

21 March 2018

Attachment 1 Consultation Document for our Long Term Plan 2018-28 (A388320)

SHAPE WAITOMO TO YOUR LIKING

Tell us what you think about our future plans for the Waitomo District.



**CONSULTATION
DOCUMENT
FOR OUR TEN YEAR PLAN
2018 - 2028**

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

We have been working on developing the 2018-28 Long Term Plan (LTP) and planning for the future ten years. This Consultation Document (CD) sets out an overview of our plans and key proposals for the LTP, and we would like to hear your feedback.

SHAPING OUR COMMUNITIES

Enhancing our community development initiatives is a key feature of the 2018-28 LTP. Community services contribute to better social interactions and add significant value to our communities. The future for Waitomo is exciting, and there are opportunities for us to take the next step on our journey towards a vibrant and thriving District.

We are set on a path to shape Waitomo into the place that we all want it to be. A place that is safe, welcoming, encourages business development and supports well-connected communities. This is not something Council can do alone, and we want to enhance and establish partnerships with key stakeholders for achieving the outcomes we want for our district. We will also look at designing our public spaces to create **prosperous and safe communities** where people want to live, work and do business.

Over the last ten years, our focus has been on core infrastructure investments to ensure we meet legislative compliance and to meet the health and well-being outcomes of our residents now and into the future. We have worked hard to draw a balance between investing in our communities and District, so we are an attractive destination to live and work in while ensuring that the investments are affordable.

Financial prudence has been and is our guiding principle.

We have sourced funds from avenues other than rates wherever possible, such as government subsidies and community funding organisations for capital investments in our District thereby **improving facilities and services** with the ratepayers not having to bare the full costs. Our infrastructure assets and community facilities are in great shape, and we are proud to say that our quality services are going to support a vibrant and thriving population in the Waitomo District.

We are also very pleased with the progress being made by Inframax Construction Limited (ICL). The recovery plan put in place for ICL and supported by the community has come to fruition. The net profits of ICL have been increasing year on year, and our **loan to ICL of \$750,000** will be returned by the end of the next financial year. We are also forecasting Dividends from ICL in the 2018-28 period clearly indicating that ICL is on a firm footing now.

THE SHAPE OF THINGS TO COME

Our current debt level sits at \$43.4 million, well below the forecast in the 2015-25 LTP. We plan to **decrease that debt to \$29.8 million by the end of the ten year period.** To advance our goal over the next ten years, forecast dividend from ICL will be used to assist in reducing Council's debt,

and by doing so, reduce overall costs to the community. In the 2018-28 LTP, we are expecting a cumulative dividend from ICL of almost **\$5 million**. We have also completed the **sale of Parkside Subdivision**.

Rates affordability remains on our agenda, and we are committed to limiting rates increases. The rates revenue is proposed to increase by an average of 2.75% per annum over the next ten years. Average rates revenue increase for the coming year is **2.97%**.

You can help shape our District by telling us what you think about the key matters contained in this document.

We would like to hear from our residents and ratepayers. There are many ways that you can provide feedback, and everyone is welcome to engage with us on this very important document.

BRIAN HANNA
WAITOMO DISTRICT MAYOR



CHRIS RYAN
CHIEF EXECUTIVE



MEET YOUR COUNCILLORS

Your Elected Members are keen to hear what you think about our plan. Come and discuss your views at the planned events (see page 24), or contact them directly.

MAYOR Brian Hanna
Ph (07) 878 0800. E: brian.hanna@waitomo.govt.nz

**Guy Whitaker - Deputy Mayor
Urban Ward Councillor**
Ph (07) 878 8147
E: guy.whitaker@waitomo.govt.nz



Janene New - Urban Ward Councillor
Ph (07) 878 7032
E: janene.new@waitomo.govt.nz

Terry Davey - Urban Ward Councillor
Ph (07) 878 6330
E: terry.davey@waitomo.govt.nz



Allan Goddard - Rural Ward Councillor
(07) 878 7865
E: allan.goddard@waitomo.govt.nz

Sue Smith - Rural Ward Councillor
Ph (07) 876 7518
E: sue.smith@waitomo.govt.nz



Phil Brodie - Rural Ward Councillor
Ph (07) 877 8033
E: phil.brodie@waitomo.govt.nz

THE 2018-28 LONG TERM PLAN

WHAT IS THE 2018-28 LTP ABOUT?

We review our direction for the future, work plans, and budgets every three years, in the form of a Long Term Plan (LTP). The LTP outlines what Council's focus will be over the next ten years. When we develop our LTP, we ask for your feedback and want to hear from you on how you would like to **shape the District and its future**.

The LTP represents our commitment to the community on where we will spend the funds and how much, to either sustain our community or to make it better. It's important you tell us what you think because 60% of the funds come from you through rates and the rest from other sources.

We are guided by our limits on debt and rates to ensure our plans are affordable and balance this with our needs, particularly to maintain our assets, and our aspirations – something we've been working hard on over the last ten years. Infrastructure upgrades have driven our plans and our spending for the last ten years, and we're now at a point where we can look to invest in other areas. We believe that this investment should be in our communities themselves, so you'll see many of our proposals reflect this shift in focus.

You can read more about financial limits and the importance of affordability in the section **'Our Financial Strategy,'** and more on our infrastructure journey in the section **'Our Infrastructure.'**

OUR VISION

Creating a better future with vibrant communities and thriving business.

Our aim is to make the Waitomo district an attractive place that people will want to come and **visit, work and live in**. Community outcomes provide an important framework for future planning and reflect the results that Council **aims to achieve in the future**. These community outcomes were reviewed as part of the development of the LTP.

COMMUNITY OUTCOMES

VIBRANT COMMUNITIES



EFFECTIVE LEADERSHIP



THRIVING BUSINESS



SUSTAINABLE INFRASTRUCTURE



WHAT IS THIS CONSULTATION DOCUMENT?

This document presents the **key matters** we want to discuss with you and some other important aspects that have come up in shaping the 2018-28 Long Term Plan (LTP).

For the key matters where we need your feedback, we have presented options for you to choose from and tell us your views.

The options also contain an overview of the **impact on rates and debt** and signal which **option Council prefers**. These preferences are included in the draft budgets so that you can see a clear indication of the impact of these changes on the overall financials.

As always, significant effort has gone into balancing good value outcomes for our community with the **affordability of rates and debt**. You can read more about our costs and revenue in the section **'Shaping our Financials.'**

WANT TO READ MORE?

This consultation document is not a summary of everything we're planning to do in the next ten years. For more information, you can review the **'Supporting Information'** which contains the detail on how we have developed this consultation document. The supporting information can be viewed on our website:

www.waitomo.govt.nz/shapeWaitomo
or from the WDC Office, Queen Street and at the Waitomo District Library, 28 Taupiri Street, Te Kuiti.

HOW YOU CAN SHAPE THE LTP

The LTP won't be formally signed off until June 2018, after we have considered all your feedback.

Now is your chance!

CONSULTATION IS TAKING PLACE FROM THURSDAY 5TH APRIL TO FRIDAY 4TH MAY 2018.

The Consultation Document is available around the district at:

TE KUITI

WDC Office, Queen Street, or Waitomo District Library, Taupiri Street

PIOPIO

The Old Piopio Post Office Gallery, 45 Moa Street, Piopio

MOKAU

Mokau Museum and Gallery, 33 North Street, Mokau.

WAITOMO

Cafe Kai and Bar. 15 Waitomo Village Road, Waitomo.

BENNEYDALE

Benneydale Foodmarket Ltd, 34 Ellis Road, Benneydale

MAROKOPA

Marokopa Camping Ground, 1 Rauparaha Street, Marokopa.

You can read it online at www.waitomo.govt.nz/shapeWaitomo

HOW DO I PROVIDE FEEDBACK?

Spend some time reading through this document, consider the questions and provide your feedback.



It's easy! Use our **feedback form on page 25** to ensure you've provided an answer to the proposals we're specifically seeking your views on, and to make sure we can consider your feedback against the right proposal.

You can also complete the feedback form online by visiting www.waitomo.govt.nz/shapeWaitomo

You can talk to Councillors about your submission in person, at meetings planned for the **14th and 15th May 2018**. This will help your Councillors understand your submission form and help them make their final decisions. Please tell us if you would like to attend one of these meetings on your feedback form or contact our Customer Services Team on 0800 932 4357.

Please return your feedback to the address provided below. If you need to use extra pages, include your name on each page and attach them to the form provided on page 25.

Freepost 112498
Waitomo District Council
Queen Street
PO Box 404
Te Kuiti 3941

Email: consultation@waitomo.govt.nz
Online: www.waitomo.govt.nz/shapeWaitomo
Fax: 07-878-7771

YOUR VIEWS AND CHOICES

THESE ARE THE AREAS WE'RE ESPECIALLY KEEN TO HEAR YOUR VIEWS ON, FOR YOU TO MAKE CHOICES THAT HELP SHAPE THE WAITOMO DISTRICT FOR THE NEXT TEN YEARS.

- 1 SHAPING OUR COMMUNITY - SAFE COMMUNITIES. PG 9**
- 2 NORTH KING COUNTRY SPORTS AND RECREATION CENTRE. PG 10**
- 3 ECONOMIC DEVELOPMENT. PG 12**
- 4 RATES REMISSION FOR FINANCIAL HARDSHIP AND NEW BUSINESS. PG 13**
- 5 PUBLIC TOILETS AT MOKAU AND WAITOMO VILLAGE. PG 14**
- 6 HOW WE FUND WATER AND WASTEWATER. PG 15**

OTHER MATTERS OF INTEREST. PG 17

We've also talked about a range of other things happening that are important to the district's future, including:

- **District Plan Review**
- **Meeting our Civil Defence Obligations**
- **Carbon Emissions**
- **Te Kuiti Holiday Park**

OUR SERVICES AND ACTIVITIES

We provide our community with many important services that keep our towns functioning and make them a great place to live, work and visit.

WE MAINTAIN 461km of sealed roads, 553 km of unsealed roads, ten playgrounds, seven cemeteries, 18 public toilets, 25 parks, four wastewater treatment plants and four water treatment plants.

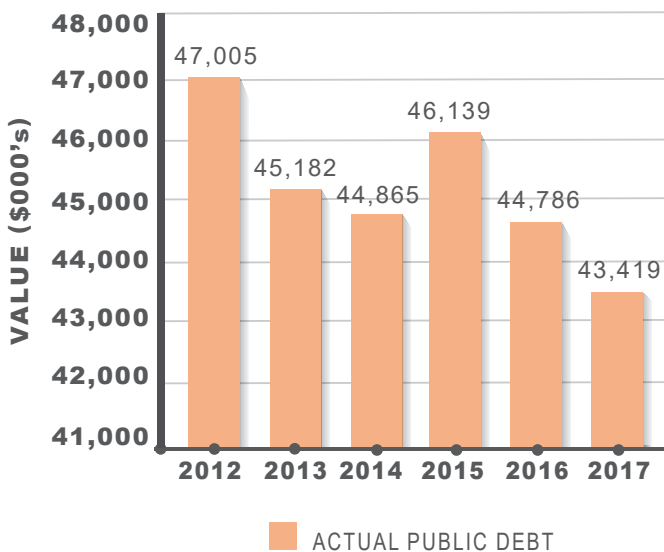
IN THE PAST 12 MONTHS WE recycled 1,442 tonnes of household waste, completed 166,000 kerbside rubbish and recycling collections, registered 3,590 dogs, rehomed 51 dogs, administered \$154,553 in grants to the community, engaged with 23,104 customers, and welcomed 11,991 swimmers to the Waitomo District Aquatic Centre.

It costs a lot of money to run our towns. For the next ten years we require around **\$319 million** to maintain our levels of service for residents and ratepayers, and to maintain roads, water and wastewater assets so they continue to work as they need to.

Every dollar you provide in rates is divided over the cost of the services and facilities that Council provides. Waitomo District's **ratepayers provide about 60% of the money** used to fund all of our services and facilities. The balance is obtained from fees and charges, reserves, and loans. We believe in providing good value.

OUR FINANCIAL PROGRESSION

Borrowings have reduced over the last six years:



- The sale of Parkside Subdivision is complete.
- Inframax Construction Limited is expected to return dividends in the 2018-2028 period.

WASH YOUR CAR

FOR ONLY

\$1.55

PER DAY...

...and do your dishes, wash your clothes, shower the kids, have a bath and water the garden too.

TAKE IT AWAY

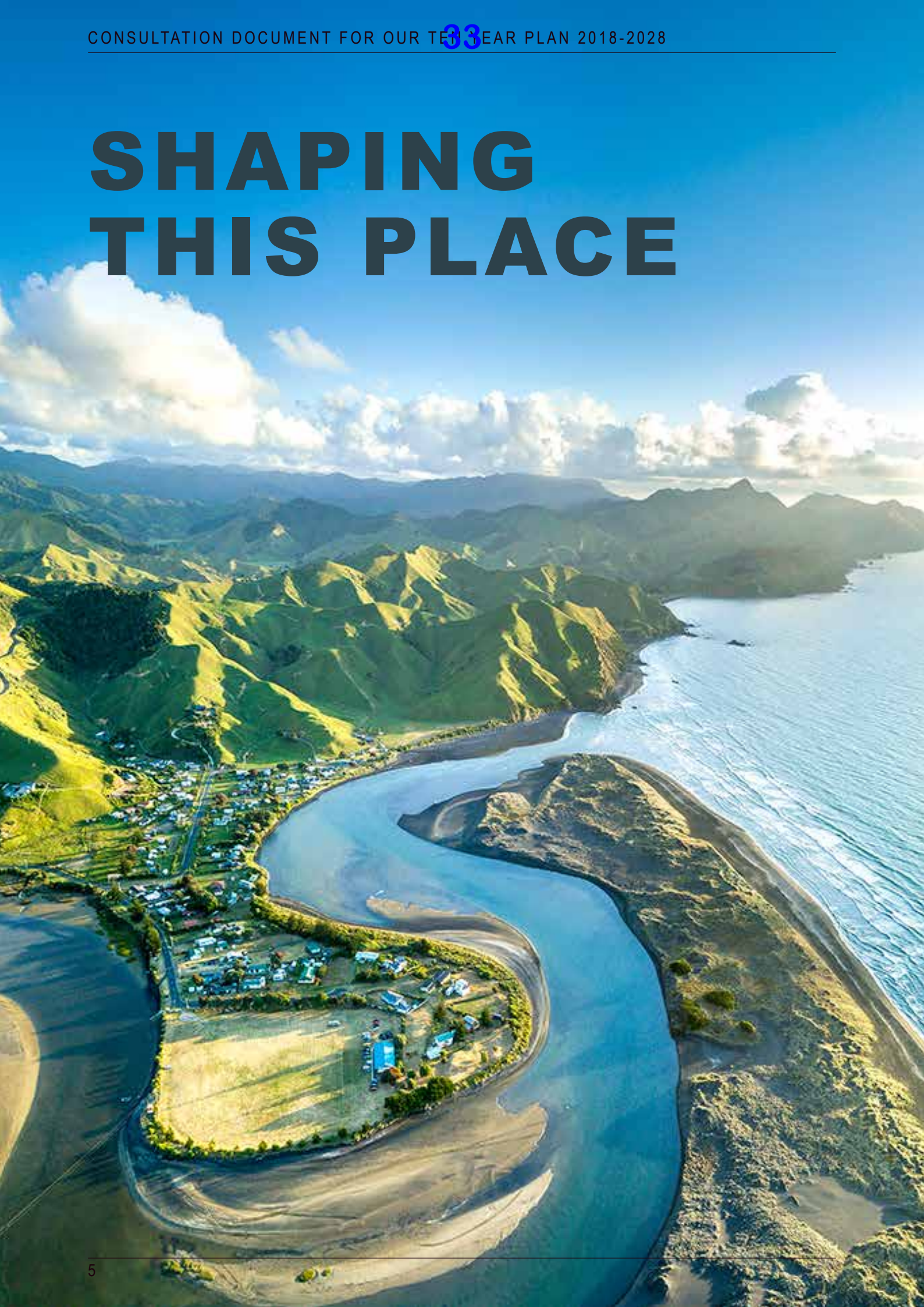
FOR JUST

\$1.12

PER WEEK...

Every week we collect your rubbish, plastic, cans, glass and cardboard from right outside your homes and businesses.

SHAPING THIS PLACE



OUR INFRASTRUCTURE

We have developed an **Infrastructure Strategy (IS)** that contains an overview of the key infrastructure management matters for our water supply, wastewater (sewerage), stormwater and roads and footpaths infrastructure assets over the next **30 years**. Detailed planning for these assets over the future ten years is contained in the asset management plans for these services.

As a result of the concerted effort in infrastructure upgrades over the last ten years and with little projected growth in demand there are **no material infrastructure issues** that the District will be confronted with moving forward.

However, it will be important to consistently meet renewal needs of assets to ensure there is **no condition deterioration** over time.

Some upgrades and investigations have been programmed in the 2018-28 period in order to **improve resilience** and for **risk mitigation** reasons.

The overall levels of service are planned to be maintained over the life of the 2018-28 LTP.

The forecast capital expenditure profile is steady over the life of the IS with an emphasis on asset renewals with the exception of a raw water storage dam for Te Kuiti (\$38 million) that could be required in years 2039-2043. This requirement would be dependent on multiple external factors like legislative requirements and detailed investigation conducted closer to the time.

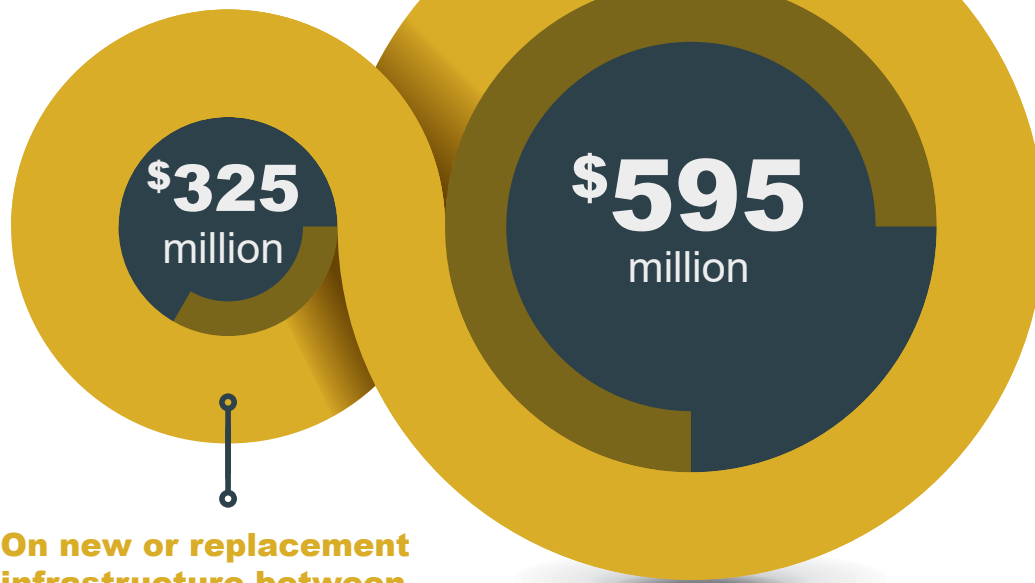
A summary of key infrastructure projects over the 2018-28 LTP is contained in the table below.

	ESTIMATED COST (\$000'S)	YEAR	
WATER	Investigation into raw water storage and/or supply in Te Kuiti	261	2018-2022
	Te Kuiti water renewals	1,998	2018-2028
	Te Kuiti bulk monitoring of water use	112	2018-2028
	Te Kuiti water backflow preventors	316	2018-2025
	Mokau water monitoring renewals (SCADA)	62	2020
	Mokau water network renewals	322	2018-2028
	Piopio reservoir replacement	250	2019
WASTE WATER	Piopio ring main (pipeline)	138	2020
	Te Kuiti Sewerage Treatment Plant improvements	105	2019
	Te Kuiti Sewerage renewals and river augmentation	3,329	2018-2028
	Te Waitere Sewerage extension to soakage field	42	2020-2021
STORM WATER	Te Kuiti Stormwater network rehabilitation	1,230	2018-2028
	Te Kuiti Stormwater piping open drains	112	2018-2028
ROADS AND FOOTPATHS	Road minor improvements	7,232	2018-2028
	Bridge and structures renewals	7,573	2018-2028
	Drainage renewals	2,782	2018-2028
	Pavement rehabilitation	21,835	2018-2028
	Sealed road surfacing	15,287	2018-2028
	Unsealed road metalling	6,676	2018-2028
	Traffic services	1,669	2018-2028
	Emergency reinstatement	7,788	2018-2028
	Road improvements (unsubsidised)	1,113	2018-2028
	Footpath renewals	1,669	2018-2028
TOTAL		81,901	

TOTAL EXPENDITURE

Spread across the four infrastructure asset activities, Waitomo District Council expects to spend:

On operating costs, labour, depreciation, materials and maintenance between 2018 and 2048.



On new or replacement infrastructure between 2018 and 2048.

Over the past ten years, Council has been focused on investing in our core infrastructure particularly in respect of water supply and wastewater infrastructure, **in support of the community's public health and environmental outcomes**, whilst at the same time taking a prudent approach to financial management.

In this period WDC has invested approximately **\$80 million on various capital projects** within the four groups of activities covered by this Infrastructure Strategy (IS), in order to meet the infrastructure needs consistent with the above approach.

Some of the key projects completed over this period include:

- Construction of raw water storage dam at Mokau.
- Disinfection upgrades completed for Mokau and Benneydale water supplies.
- Te Kuiti Wastewater Treatment Plant re-build.
- Te Kuiti Water Treatment Plant upgrade (completion in 2017/18).
- Benneydale Water and Wastewater Treatment Plants upgrade.
- Piopio Sewerage System installation.
- Piopio Water Treatment Plant upgrade.
- Critical renewal work to the stormwater network in Ngatai Street, George Street and Duke Street Te Kuiti.
- Cleaned and surveyed 4,000 linear metres of stormwater reticulation system.
- Upgrading Waitomo Caves Road.
- Structural metal placed on unsealed roads.
- Road safety improvements.
- Bridge replacements.
- Footpath replacements.



Read more: The Infrastructure Strategy and Asset Management Plans in the LTP supporting information.

YOUR CHOICES AND FEEDBACK



1 SHAPING OUR COMMUNITY SAFE COMMUNITIES

Council is focused on its vision for a **vibrant and thriving** Waitomo District. One means to that end is to enhance the livability of the District. That approach has underpinned all our initiatives in recent times, and we intend to continue on this road.

The next ten years are about achieving the vision through **'place making' and 'place shaping' initiatives** by way of taking up the opportunities and meeting the challenges arising from New Zealand's steady economy and the booming local tourism industry.

One of Council's key **'place shaping'** opportunities will be achieved through its Community Development portfolio. Council supports the **value of a close partnership** between community members, community organisations, businesses, government agencies and others with an interest and concern about our Waitomo District community. We believe much can be achieved by working with others in a coordinated and collaborative way on joint activities and community projects that address **our local needs** and in doing so contribute to taking the **District community forward**.

Council proposes the local establishment of an **accredited Safe Community programme** using the Safe Communities model -

- The scope of the **Safe Communities Model** is varied and includes projects and activities in areas such as Employment, Education, Crime Prevention, Environment and Violence Prevention to name a few.
- Examples of some programmes that have been successfully run under the Safe Communities model are: Family violence prevention, Safer homes and neighbourhoods, Youth at risk, Driver licence education and Youth and community alcohol harm reduction.
- This model is currently used by 31 Councils and communities across New Zealand.
- It assists communities to come together, share information and to establish priorities and plans that will address local concerns.

Council will seek to work with **community stakeholders** such as: NZ Police, Waikato District Health Board, Iwi, ACC, NZ Fire Services, Ministry of Social Development and Ministry of Education to become an Accredited Safe Community, and to establish a collaborative governance arrangement. A focus will be to initiate valued and meaningful partnerships. **Agreed priority areas will be determined** from which Action Plans will be developed.



Read more: LTP supporting information, Community Development Activity Management Plan, and Financials.

We propose to include an additional \$60,000 per annum on average, over the first three years of the 2018-28 LTP for this initiative.

WHAT DOES THIS MEAN FOR MY RATES?

The delivery of Community Support activities are funded through a mix of General Rate and UAGC sources.

This initiative will add **12 cents per week** for a residential property of value \$170,000 and **61 cents per week** for a rural farm property valued at \$3.07 million in the 2018/19 year.

OPTION 1 (PREFERRED OPTION)

Yes, pursue Safe Communities accreditation to support the development of our communities.

OPTION 2: No, the existing service is enough. Do the best we can with existing funding level.

OPTION 3: This initiative should be an even greater priority and more funding should be put towards it. Every additional \$20,000 will add **\$2.70 per annum** to a residential property of value \$170,000.



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2

NORTH KING COUNTRY SPORTS AND RECREATION CENTRE

BACKGROUND

The Game on Charitable Trust (GoCT) proposes the development of the North King Country Indoor Sport and Recreation Centre (the Sports Centre) in Te Kuiti.

Council has been invited to consider whether or not to **provide funding** for that development.

Council understands that the Sports Centre will consist of a double court indoor gymnasium, a multipurpose indoor space and a commercial fitness centre. Secondary components will include areas of administration and reception, changing rooms, storage, service, viewing and carparks.

The Sports Centre will be **located on** the Te Kuiti High School grounds, with **land leased** from the Ministry of Education. The Sports Centre will be **made available for public use**.

The GoCT operating as a Charitable Community Trust will own and operate the Sports Centre. The actual day to day operations will be carried out by staff appointed by the GoCT. The governance of the GoCT is made up of representation from Te Kuiti High School Board of Trustees, local Iwi, Waitomo District Council, Sport Waikato and provision for up to three Community Trustees.

The GoCT business case notes the benefits of the Sports Centre as being - improving health (both mental and physical), promoting a balanced lifestyle, reducing anti-social behavior, developing social inclusion, improving educational outcomes, improving general sport and recreation achievement.

The GoCT also noted that they believe there is excellent support in the community for the Sports Centre based on a survey they carried out in late 2016.

The GoCT have requested that Council consider making a capital contribution towards the development of the Sports Centre of **\$1.5 million and a contribution of \$60,000** for the first three years towards **operating costs** of the Sports Centre.

COUNCIL'S CONSIDERATION

In considering the request Council assessed:

- Alignment of the request with the Vision and Outcomes Council wants to achieve for the community.
- Community's access to this proposed facility.
- Robustness of the estimates provided.
- Mechanisms that Council could use if it agrees to the request.
- Impact of the request on rates.
- Affordability of the request.

Council is of the view that development of the Sports Centre is aligned to its Vision of **creating a vibrant and thriving community** and agrees with the 'flow on' benefits to the community identified by the GoCT in their business case.

THE FUNDING OPTIONS ARE:

OPTION 1 (PREFERRED OPTION)

Provide a maximum capital funding grant to the GoCT of **\$1.5 million**, with **\$1 million** provided in **2018/19 year** and **\$500,000 in 2019/20** under the proviso that if the GoCT are able to source additional funding from other benefactors then Council would contribute less.

Council is of the view that it does not have enough information at this stage about the operating costs requirements of the Sports Centre and is therefore **not in a position** to make a contribution **towards the operating costs**.

Raise a 30 year loan to make this capital contribution so that the costs are distributed to future ratepayers as well who would benefit from the facility in the future. The cost to the ratepayers will be the cost of servicing this loan.

The Council's view is that the overall potential benefits that will become available to the District Community justify the funding cost especially given the fact that we will have decreased our public debt by \$1.77 million by the end of next year.

NORTH KING COUNTRY SPORTS AND RECREATION CENTRE

OPTION 2:

Not provide any capital funding for the sports centre. This option could mean that the sports centre project will not go ahead.

WHAT DOES OPTION 1 MEAN FOR RATES?

This option will add **19 cents per week** for a residential property of value \$170,000 and **98 cents per week** for a rural farm property valued at \$3.07 million in the 2019/20 year*. In the following year (2021/22), this option will add 10 cents per week to the residential property and 49 cents per week for the rural farm property due to the additional \$500k debt.

*Grants are funded through a mix of General rate and UAGC

WHAT DOES OPTION 1 MEAN FOR PUBLIC DEBT?

We carefully reviewed our public debt position and our self-imposed limits for borrowing set out in the financial strategy for the 2018-28 period in reaching our preferred option.

In the current year (2017/18), we have fully divested our investment in Parkside Subdivision and by the end of next year (2018/19) we expect our loan of \$750,000 made to Inframax Construction Limited to be returned.

This will result in a reduction in our indebtedness (as at 30 June 2017) by \$1.77 million thereby creating headroom enabling us to agree to this request for the benefit of our communities.



WHICH OPTION WOULD YOU PREFER COUNCIL TO GO WITH?

OPTION 1 OF A CAPITAL FUNDING GRANT

OR OPTION 2 OF PROVIDING NO GRANT



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3

ECONOMIC DEVELOPMENT

PLACE SHAPING AND PLACE MAKING ARE THE KEY THEMES COUNCIL IS PROPOSING FOR THE 2018-28 LONG TERM PLAN.

Our aim is to enhance our support of the district community. We have discussed one of the means being through our community development portfolio.

The other means is through the Economic Development activity - support the growth of our local economy by effectively promoting our district as well as supporting local businesses and projects.

In this space, we plan to join up with existing initiatives to ensure we get the best possible return for our investment and can take advantage of opportunities as part of a bigger collective.

WAIKATO REGIONAL ECONOMIC DEVELOPMENT AGENCY

To this end, Council plans to **participate and become a member of the proposed** Waikato Regional Economic Development Agency (WREDA).

While the WREDA is still in its early stages of set up, indications for potential services include; investment and talent attraction and facilitation, industry development, business development and innovation and regional economic research and monitoring to provide assistance and support for projects.

Council would benefit from aligning itself to the WREDA and seek required information and services from this source instead of replicating the effort. Data collection, updating and monitoring economic activity in itself is a considerably resource intensive undertaking. It would also be better to leverage regional scale in seeking investments for the Waitomo District.

Council's contribution to participate has been budgeted at **\$10,000 per annum** over the ten years of the 2018-28 Long Term Plan.

SOUTH WAIKATO ECONOMIC DEVELOPMENT ACTION PLAN

At a sub-regional level, Council will **join its neighbouring Councils** in the South Waikato economic initiative. While this too is in its early stages, the initiative has received com-

mitment from both the Ministry of Business, Innovation and Employment (national level) and Waikato Means Business (regional level).

The intended outcome of this initiative is to develop a strategy and action plan for the economic development of the South Waikato sub-region (includes Waitomo District, Otorohanga District and South Waikato District).

The cost of participation in this initiative is budgeted at **\$10,000 per annum** over the ten years of the 2018-28 Long Term Plan.

WHAT DOES THIS MEAN FOR MY RATES?

These two initiatives combined will add **1 cent per week** to the total rates for a residential property of value \$170,000 and **38 cents per week** for a rural farm property valued at \$3.07 million in the 2018/19 year.



DO YOU SUPPORT COUNCIL'S PROPOSAL TO PARTICIPATE IN THE WREDA AND THE SOUTH WAIKATO ECONOMIC DEVELOPMENT ACTION PLAN AS A MEANS TO ACHIEVING LOCAL ECONOMIC DEVELOPMENT?



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4 RATES REMISSION POLICY

We are proposing to make changes to the Rates Remission Policy to add new categories of remissions to support and benefit the people of the Waitomo Community.

The two key additions are:

REMISSION OF RATES FOR NEW BUSINESSES

Based on feedback from the community we are proposing to establish a new remission category that provides **rates remission of up to 50%** for one year to new businesses or new developments established within the past 12 months. Details of the criteria and conditions are contained in the **Draft Rates Remission Policy**.

Council's objective in establishing this remission category is to promote employment and economic development within the District.

REMISSION OF RATES IN CASES OF LAND AFFECTED BY NATURAL CALAMITY

We are proposing a new remission category that provides relief to properties that have been detrimentally affected by erosion, subsidence, submersion, earthquake or other calamities. If the land cannot be utilised due to land being affected by natural calamity Council may remit all or part of the rates relating to the rating unit. Details of the criteria and conditions are contained in the Draft Rates Remission Policy.


The objective of establishing this remission category is to assist ratepayers affected by events outside of their control and as the consequence of a natural calamity.

At this point the existing budgetary allowance for remissions is considered sufficient to cover the new remission categories and therefore there is **no impact of the proposal on rates**.



Read more: There are other changes being proposed to Remission. For more info read the Draft Rates Remission Policy in the Supporting Information.

DO YOU SUPPORT COUNCIL'S PROPOSAL TO INTRODUCE THE NEW CATEGORIES FOR REMISSION INTO THE RATES REMISSION POLICY?



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5

PUBLIC TOILETS AT MOKAU AND WAITOMO VILLAGE

New Zealand as a whole is experiencing an exponential increase in tourist numbers and our District is no exception. Waitomo Village and Mokau are particularly seeing growth not just in international tourists but with domestic travelers as well.

Tourist activity and visitors are an important part of the District's front window to the world outside. They are a key means of driving economic activity. Council can support this and promote tourist activity by providing good public amenities.

The residents of Mokau have told us that the current public toilets in Mokau are struggling to meet demand due to increasing user numbers and are generally dated and not of an appropriate standard to meet the current needs of the general public. **Council is proposing to upgrade these toilets** to more appropriately meet user needs in the **2018/19** financial year (first year of the Long Term Plan).

We have also been provided anecdotal feedback that the public toilets in Waitomo Village are also struggling to meet user demand. In response to this **Council is proposing to invest in public toilet facility** at Waitomo Village in **2019/20**. However, this will be subject to land ownership being vested in Council for such a facility.

It is estimated at this preliminary stage that the two facilities in Mokau and Waitomo Village will require an investment of approximately **\$320,000 each**.

We considered the following options:

OPTION 1 (PREFERRED OPTION)

Apply for external funding from the Tourism Infrastructure Fund (TIF) to cover **50% of the cost of these facilities**.

If funding is obtained then proceed with the upgrade at Mokau in 2018/19 and new toilets at Waitomo Village in 2019/20.

WHAT WILL THIS PROPOSAL MEAN FOR MY RATES?

This option will add on average:



8 cents per week to a residential property valued at \$170,000 and



40 cents per week for a rural farm property valued at \$3.07 million.

This option will add **\$320,000** to Council's overall **public debt** from 2019/20.

Council has considered its' self-imposed limits for rates increases and borrowings (public debt) set out in its Financial Strategy for the proposed 2018-28 Long Term Plan, and considers that these are not compromised by it's preferred option (option 1).

OPTION 2:

Not proceed with the development of the two facilities even if funding from the Tourism Infrastructure Fund is available.

This option would mean no increase to rates or overall public debt resulting from this proposal.

“ **WHICH IS YOUR CHOICE?**

OPTION 1 OF PROCEEDING IF 50% FUNDING FOR THE PUBLIC TOILET FACILITIES IS OBTAINED FROM EXTERNAL SOURCES, OR

OPTION 2 OF NOT PROCEEDING WITH THE FACILITIES. ”



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6 FUNDING WATER AND SEWERAGE SERVICES

Changing the funding system for water and sewerage services is something Council has been carefully weighing up for some time and we want to put our proposal to you and hear your views.

BACKGROUND – OUR CURRENT FUNDING SYSTEM

Currently, the Water Supply and Sewerage and Treatment and Disposal of Sewage (Sewerage) activities are funded by Targeted Fixed Rates differentiated by Communities. This means each community pays for its own drinking water and sewerage systems, thereby paying a different rate in each community.

The communities with Council provided Water and Sewerage services are:

- Water - Te Kuiti, Mokau, Piopio, and Benneydale
- Sewerage - Te Kuiti, Te Waitere, Piopio and Benneydale

There is also an ‘assistance for smaller communities’ funding policy in place which sets a cap for Water and Sewerage rates in the smaller rural communities of Piopio, Benneydale, Mokau and Te Waitere. Any amount over these ‘caps’ for Water and Sewerage is shared by all properties in the District.

A Sewerage rate is also charged to all properties in the Piopio Wider Benefit Rating Area.

OUR PROPOSAL

Is there a district-wide benefit of these services...?

We believe there is. It is acknowledged that these services predominantly provide benefits to users, however, the entire District benefits from the elimination of public health risks arising from open sewers and inadequate septic tank facilities, as well as firefighting, street cleaning and public toilets.

Environmentally sound treatment services reduce the adverse impact on natural resources. It also makes our communities, which is where we and our current and future workforce lives, liveable and viable.

We have allocated 10% of the benefit from provision of water and sewerage services to the entire district and 90% to the users of the service and our proposal is that 10% of the cost of providing these services **should be funded by all properties** (rating units) in the district.

“Same service...same rate?”

Should the amount you pay for depend on the service you get or the community you live in? At present, how much you pay for the water you use or to flush the toilet depends on where you live.

Our proposal is that all customers should pay the same amount if they are served by our water and/or sewerage schemes because the service is the same, no matter where they live.

This proposal also means that the rate per cubic metre charged to ‘extraordinary’ water users (those that are charged by water meter) would be the same across the District.

We are proposing to phase in the ‘same service same rate’ (harmonised rate) proposition for water rates over four years, keeping rates affordability considerations in mind, so that impacts of the proposed changes are not consolidated together into one year.

OPTION 1 (PREFERRED OPTION):

- All communities pay the same rate for Water Supply and the same rate for Sewerage (harmonised rates).
- Harmonised rates for Water Supply will be ‘phased-in’ over four years.
- The rate per cubic meter of water will be the same across the district.
- A District Benefit rate will be charged to all rating units in the district. This rate will replace the Water and Sewerage subsidies currently paid by all rating units in the district. The Piopio Wider Benefit Rating Area (PWBRA) rate will be removed.

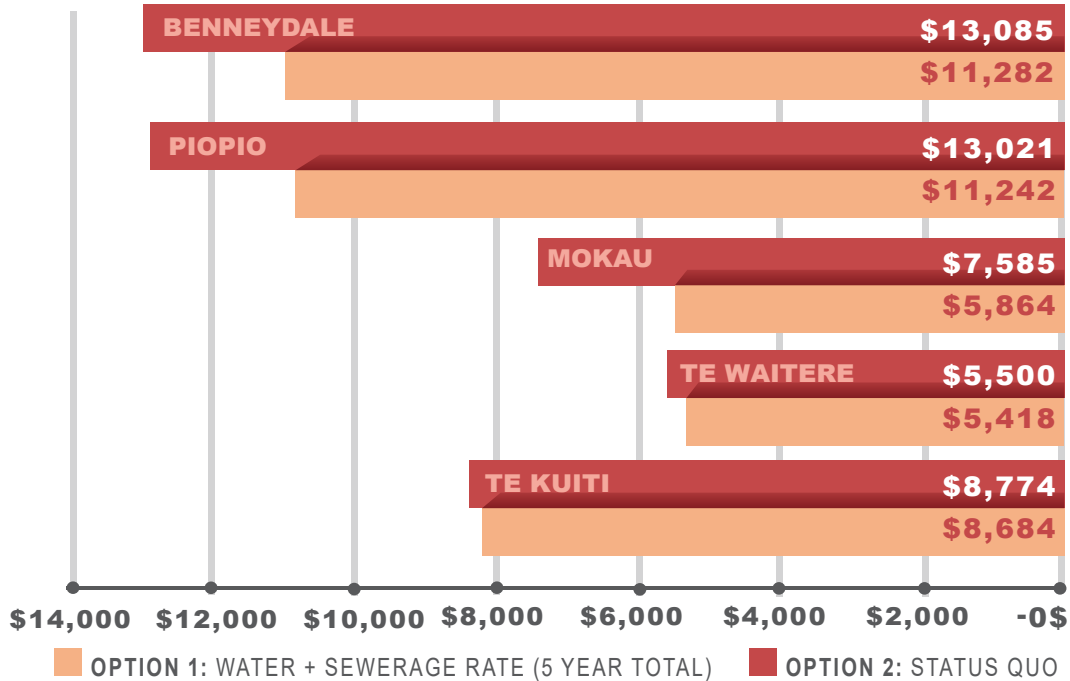
OPTION 2 (STATUS QUO):

Under this option the current funding method for Water Supply and Sewerage is maintained:

- All communities pay different amounts for their Water Supply service and their Sewerage schemes.
- The rate per cubic meter of water is different across different communities
- All rating units pay Water and Sewerage subsidies for smaller communities.

WHAT WILL THESE OPTIONS MEAN FOR YOUR RATES?

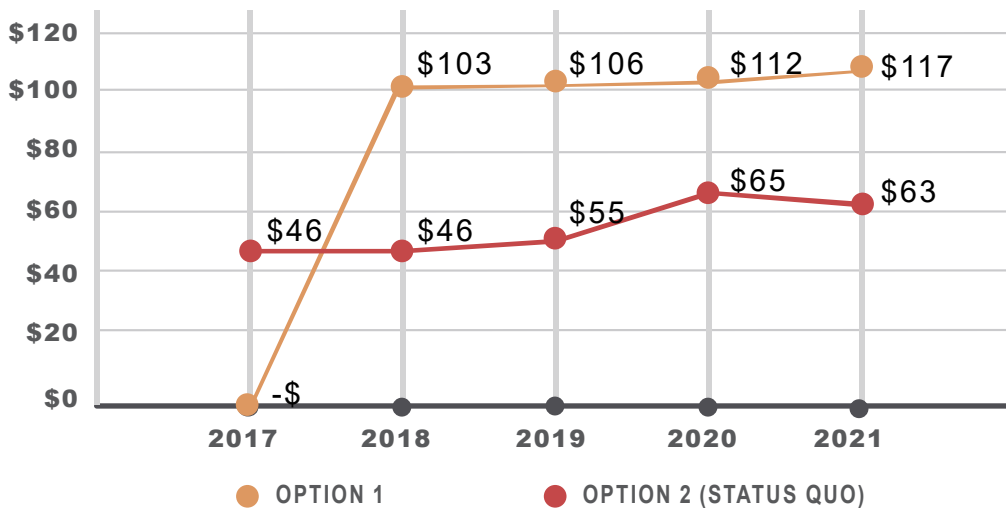
The following graph illustrates the difference between total water and sewerage rates under Option 1 and Option 2. These rates are the total water and sewerage rates paid by a connected property over 5 years in each of Council’s Water Supply and Sewerage scheme areas. Under Option 1 the Water and Sewerage rates (combined) **would reduce in all Water Supply and/or Sewerage areas.**



DISTRICT BENEFIT RATE IMPACT FOR OPTIONS 1 AND 2

Option 1 also proposes a District Benefit rate to be paid by all rating units in the district which will replace the existing subsidies under Option 2.

The following graph illustrates the difference between the District Benefit rate of Option 1 and the subsidies for smaller communities in Option 2.



“ Changes to Total Rates can be found in the Rates Examples for sample properties (refer page 21). ”

“ WHICH OPTION DO YOU CHOOSE? ”



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OTHER MATTERS OF INTEREST

DISTRICT PLAN REVIEW

Council has started on the journey to review its District Plan as indicated in the 2015-25 Long Term Plan (LTP). A District Plan is hugely influential for **place making** and **place shaping**, and is a fundamentally important tool for enabling sustainable economic development and achieving the vision for our district. It does this by setting the direction, form and shape of our urban and rural communities, while ensuring that we promote the sustainable management of natural and physical resources, and protect our cultural and historic heritage, outstanding landscapes and significant natural features. The District Plan will also **ensure that significant risks** from natural hazards and contaminated land are managed within our District.

Developing a District Plan is **resource intensive and expensive** and it takes time to complete. The Proposed District Plan will take two years to research and write, and another two years to work through the formal process of submissions, hearings and appeals. Our new District Plan will likely be fully operative by 2021 and should not need to be reviewed again until 2031.

During the development of the 2015-25 LTP, the forecast for the District Plan review was to complete it in parts (rolling review) and a budget of \$2.4 million spread over ten years was included in that LTP. The project commenced in 2016 and a detailed scope was drawn up which highlighted the need for a full review given the significant change in the legislative environment from when the District Plan was developed almost 20 years ago. The scope also included additional works required around Reserve Management Planning and Designations **necessary for our infrastructure and community assets** (which had not been costed elsewhere).

There was a change to delivery mechanism from out-sourced to in-house delivery for various aspects of the review. These changes were brought about to increase efficiency and reduce risks of delivery over the three to four year period and have resulted in a change to the forecast cost of the District Plan Review project which has been budgeted in the 2018-28 LTP at **\$3.75 million**.

MEETING OUR CIVIL DEFENCE OBLIGATIONS

The Council offices are a **public building** that are used not only for conducting Council business but also various other meetings and events. Council has a general duty to ensure the safety of its staff and members of the public using or occupying the building. In response to the Earthquake Prone Buildings (EPB) legislative requirements, we commissioned a seismic assessment of the Council office building. This assessment showed we were just above the required EPB threshold however, being at this level is not sufficient to meet our Civil Defence responsibilities.

Council also **has an obligation** to provide a facility to operate from in times of emergency which would be the **District's Emergency Operations Centre (EOC)**. Our office building is the primary location to operate an EOC and coordinate a response to an emergency affecting our District, as it has the appropriate facilities and power back-up. In the event of an emergency Council would coordinate a response from this EOC, with support (or direction) from the Regional Group Controller, and if it's of a national scale, from the Ministry of Civil Defence and Emergency Management. The Council office building therefore has to be a secure and safe place for such an eventuality.

We need to undertake **remedial work** to strengthen the parts of the building that will be used for civil defence operations (when required) to improve resilience of the building in the event of significant ground shaking and ensure it is fit for purpose.

This work has been estimated to cost **approximately \$654,000** in total. This has been sequenced over the first three years of the 2018-28 LTP.

CARBON EMISSIONS

The New Zealand Emissions Trading Scheme (ETS) is the Government's principal policy response to climate change. The ETS puts a **price on greenhouse gas emissions** and the idea is to create a financial incentive for organisations to invest in technologies and practices that **reduce emissions**.

Landfills emit greenhouse gases and therefore we are required to report on the emissions, and then to purchase and surrender **emission units** to the Government for those emissions. An emission unit represents one metric tonne of carbon dioxide, or the carbon dioxide equivalent of any other greenhouse gas. Our emissions from the landfill depend upon the rubbish going into the landfill (which is also a revenue source for Council). Emissions growth is only marginal year on year.

The Government has changed its policy on surrender of units whereby Council will have to surrender one unit for one metric tonne of emission from 2019/20 year. Currently Council has had to surrender one unit for every two metric tonnes of emissions.

This means we are having to **buy double the amount of emission units** than what we have in the past. The cost of emission units has also risen exponentially from approximately **\$5 in 2014 to \$18 in January 2018**. This has meant a substantial addition of costs into our budget forecasts which is outside of Council's control which is the key contributor to the **increase in rates** for Solid Waste Management. We have tried to spread the cost of purchase of emissions units evenly over the full ten years of the plan to ensure intergenerational equity. This also enables Council to be responsive to any further changes to the ETS, which the Government has been indicating.

TE KUITI HOLIDAY PARK

As part of the development of the 2018-28 LTP Council further considered the establishment of a Holiday Park facility in Te Kuiti.

In 2016 we completed an initial preliminary assessment of viability and possible operating costs together with initial land use concepts. In the intervening time **freedom camping activity** at the Mangaokewa reserve has increased. Access to both that location and the facilities is free which presents risks in **successfully developing** a new Holiday Park type of facility. There is also a growing need as a result of increasing visitor numbers for **public amenities and services** in other parts of the District.

Council needs to balance those various considerations and then prioritise **where ratepayers funds should be invested**, particularly to ensure we keep the level of rates affordability and sustainable debt considerations in mind. We want to thoroughly investigate needs, identify options and make an informed choice about an investment in holiday park facilities that best meet the needs of the Waitomo district as a whole.

A district wide approach is required to achieve the **best long term outcome for the community** and for creating a tourist friendly district. That work is not yet well developed enough for any inclusion into the budgets. We will seek community inputs once the plans are more definitive and associated costs are better defined, possibly in the next LTP.

OUR FINANCIAL STRATEGY

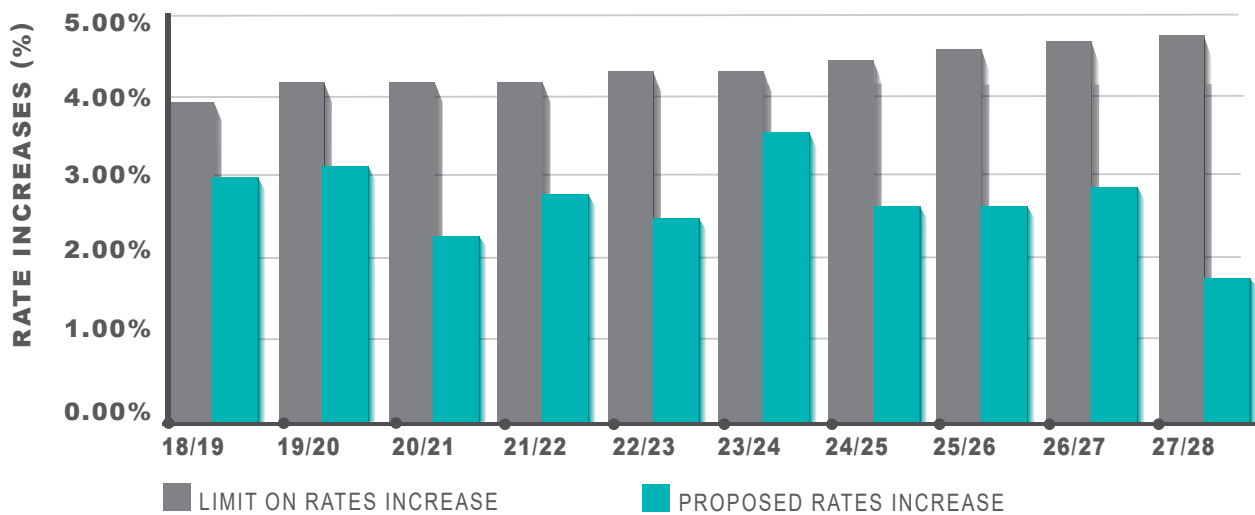
The Financial Strategy for the 2018-28 Long Term Plan details the fiscal parameters within which Council will operate in working towards its vision, so that the initiatives are carried out in a **financially sustainable manner**.

The guiding principles underpinning our Financial Strategy are:

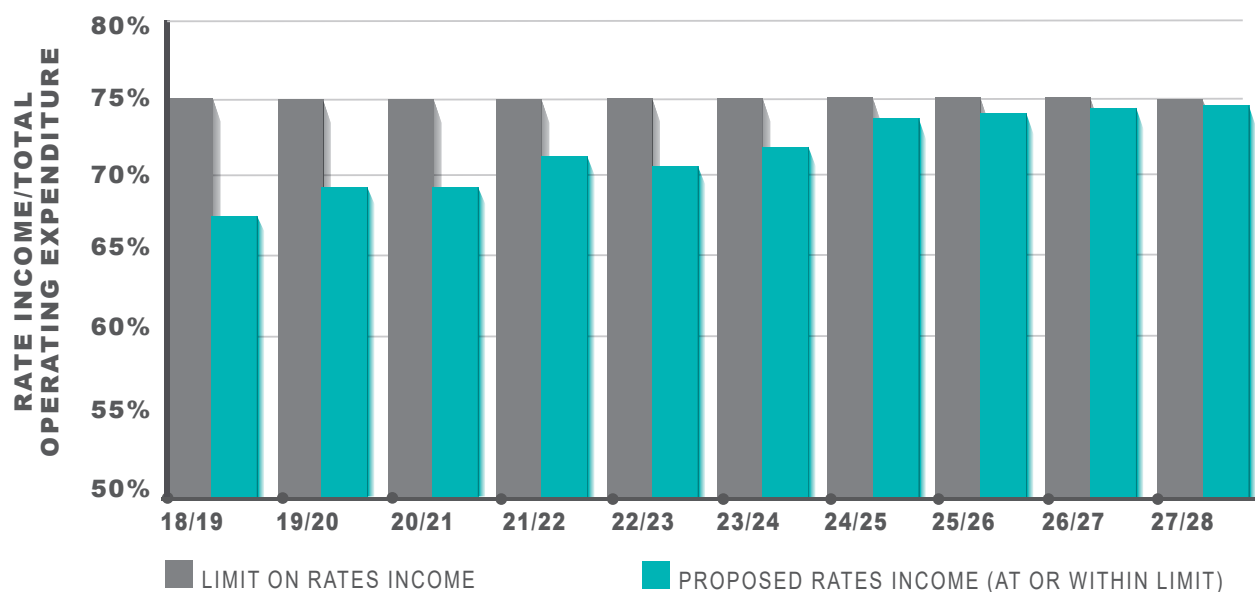
- Provide amenities, facilities and services that contribute to and align with Council's vision.
- Undertake good asset stewardship and management.
- Maintain affordable rates increases.
- Ensure financial sustainability - by ensuring that our revenue is sufficient to cover an efficient operating expense base, all funding sources are being used optimally and financial management is prudent.

RATES

Council's self-imposed limit on rates increases is that these **will be limited to no more than forecast Local Government Cost Index (LGCI) for that year + 2%**. Council's forecast rate increases in the 2018-28 period are illustrated in the graph.



Our limit for rates revenue required is that it will be **limited to an average of 75% of total operating expenditure**. Rates revenue over the 2018-28 period is within this limit.



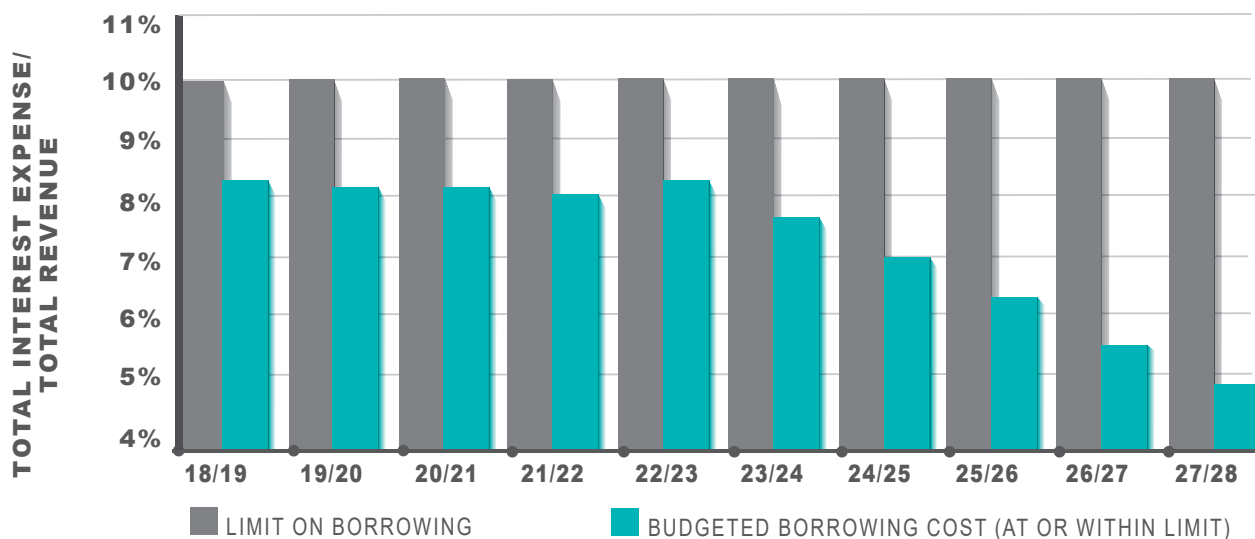
PUBLIC DEBT

Council is committed to reducing its public debt and borrowing costs. We became a member of the Local Government Funding Agency (LGFA) in 2016 which is an endorsement of Council’s financial sustainability (*Council had not been able to meet the LGFA covenants previously*). Joining the LGFA has allowed Council to borrow at much lower interest rates and have easier access to long term borrowing, thereby **reducing overall borrowing costs**.

Some limits Council has set for its public debt are:

- Total borrowing costs will not exceed 10% of total revenue
- The ratio of net debt to total [cash] revenue will not exceed 170%
- Net interest will not exceed 20% of annual rates

The borrowing cost (interest expense) is **forecast to reduce** over the 2018-28 LTP and is within the limit set.

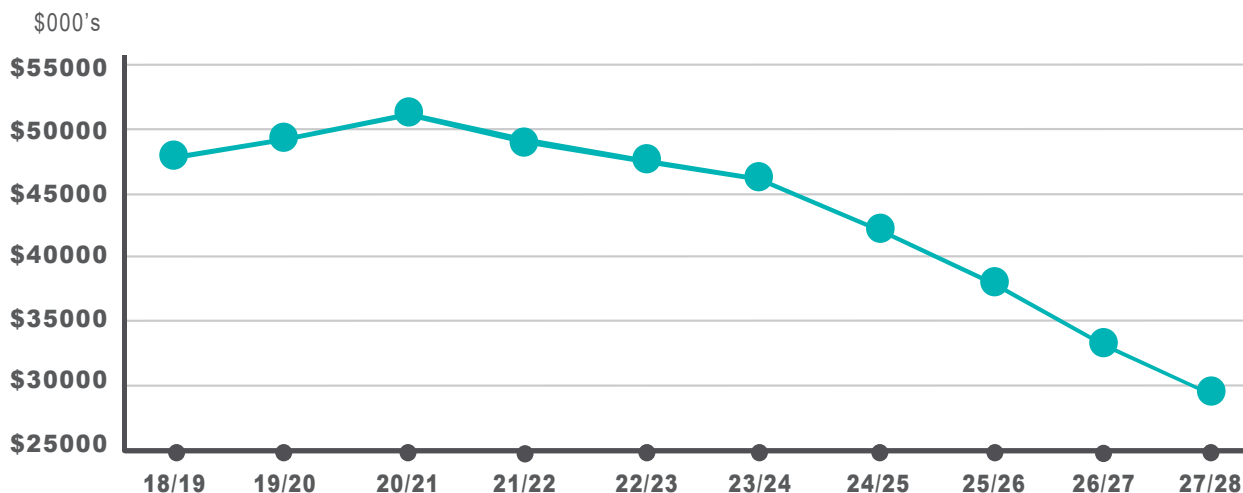


DEBT REDUCTION

Over the 2018-28 period Council is proposing to require dividend income from its shareholding investment (in Inframax Construction Limited) **which will be used to repay debt**. This income is forecast at **\$4.95 million** over the life of the 2018-28 LTP and is forecast to start from 2019/20 year.

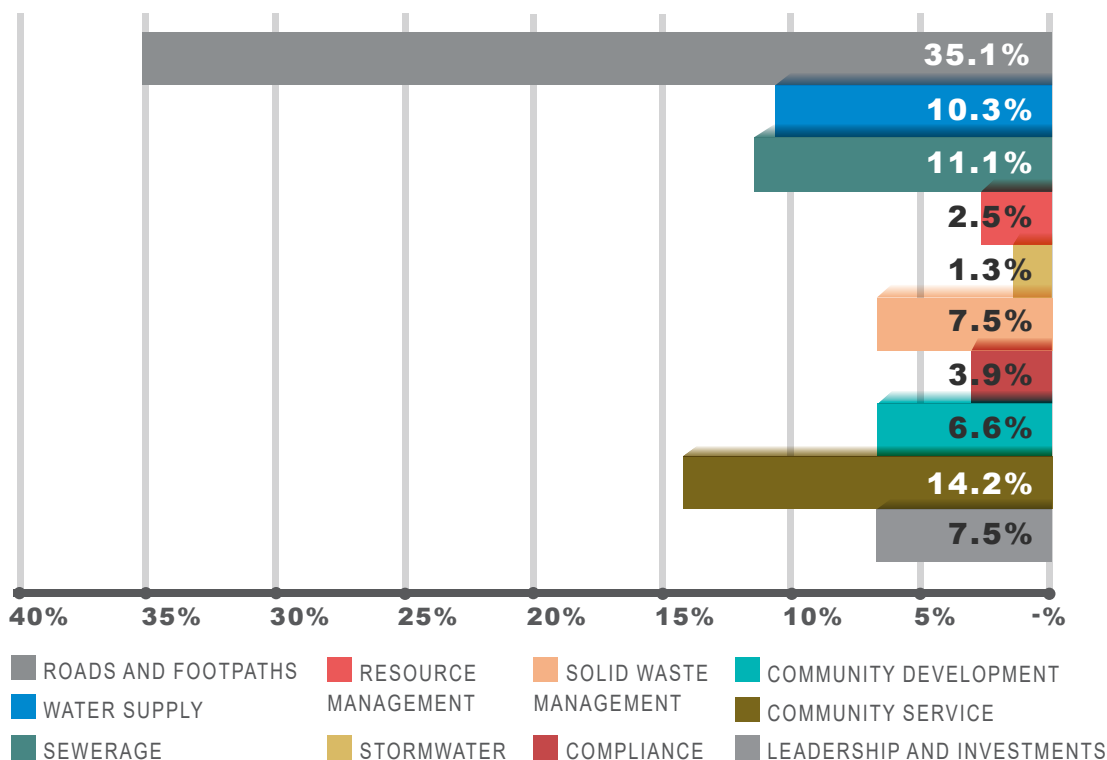
Over the term of the 2018-28 LTP, public debt is forecast to reduce from a high of \$50.7 million in 2021 to **\$29.8 million in 2028**. This is a decrease of **\$20.9 million** or 38% over the ten year period.

PROJECTED PUBLIC DEBT 2018-2028

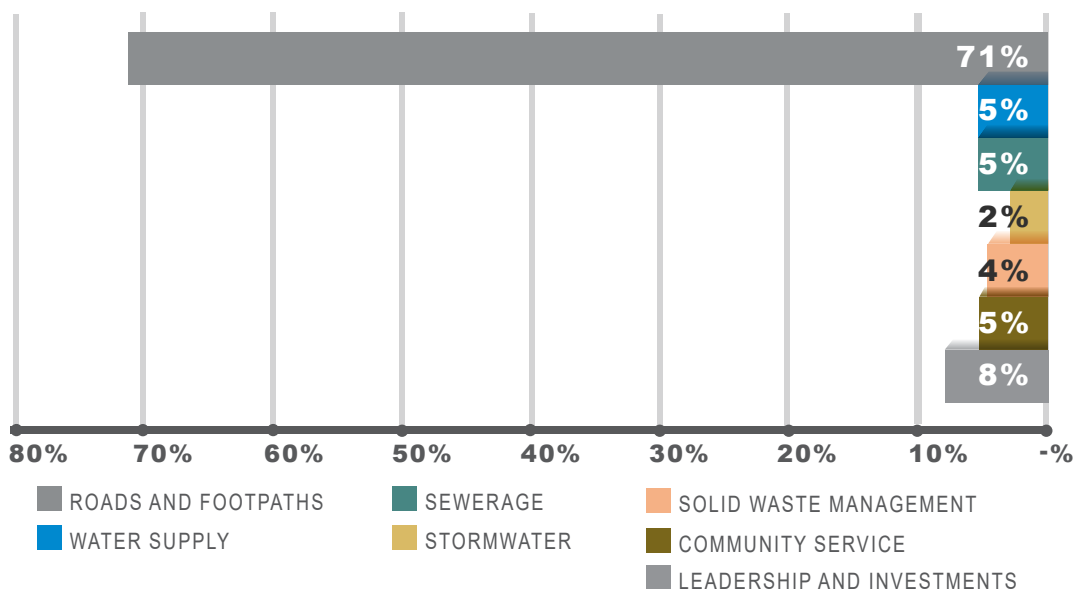


SHAPING OUR FINANCIALS

Operating expenditure is the money spent on running our activities on a day to day basis like insurance, electricity, telephone, vehicle running and so on. This chart shows how our forecast operational expenditure of **\$319.4 million** is spread across our different activities for the next ten years.



Capital expenditure is about upgrading and renewing assets, such as buildings, playgrounds, facilities, pipes, roads, and equipment. Over the next ten years, **\$105 million** is forecast to be spent on our assets and the graph shows how this expenditure is spread across our different activities. The majority of our capital expenditure is on Roads.



RATES EXAMPLES 2018/19

The average rates increase for 2018/19 of 2.97% is the increase in total rates revenue requirement from last year.

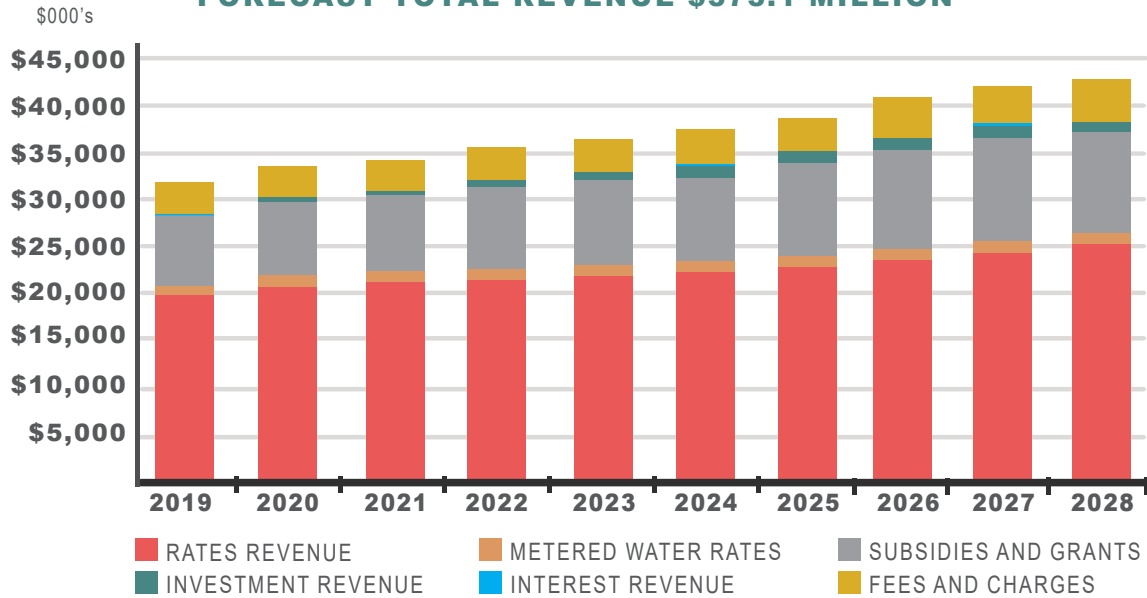
Rates increases for individual properties will be different. We have used sample properties in different communities with a range of property values to illustrate the impact of the 2018-28 LTP proposals on rates.

	 Te Kuiti Residential \$170,000	 Te Kuiti Commercial \$275,000	 Te Kuiti Wider Rating Area \$630,000	 Waitomo Commercial \$1,100,000	 Benneydale Residential \$40,000	 Piopio Residential \$130,000	 Piopio Wider Rating Area \$385,000	 Mokeu Residential \$350,000	 Drystock Rural \$3,070,000	 Dairy Farm Rural \$5,400,000
Capital Value \$ as at Sep 2015										
Uniform Annual General Charge (UAGC)	687.00	687.00	687.00	1,374.00	687.00	687.00	687.00	687.00	687.00	2,061.00
General Rate	265.00	428.00	981.00	1,714.00	62.00	203.00	600.00	545.00	4,782.00	8,412.00
Roads and Footpaths Rate	356.00	575.00	1,318.00	2,301.00	84.00	272.00	805.00	732.00	6,423.00	11,297.00
Targeted Services Rate (Urban)	212.00	212.00	212.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Targeted Services Rate (Rural)	0.00	0.00	0.00	78.00	39.00	39.00	39.00	39.00	39.00	117.00
District Development Rate - Commercial	0.00	157.00	0.00	626.00	0.00	0.00	0.00	0.00	0.00	0.00
District Development Rate - Rural Business	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	297.00	522.00
District Benefit Water	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
District Benefit Sewerage	57.00	57.00	57.00	57.00	57.00	57.00	57.00	57.00	57.00	57.00
Stormwater Urban Fixed Charge	159.00	159.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stormwater Urban Capital Value	78.00	126.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stormwater (Rural)	0.00	0.00	12.00	24.00	12.00	12.00	12.00	12.00	12.00	36.00
Water Supply (Te Kuiti and Rural)	554.00	554.00	0.00	0.00	1,321.00	1,321.00	0.00	1,321.00	0.00	0.00
Sewerage (Uniform)	1,040.00	520.00	0.00	0.00	1,040.00	1,040.00	0.00	0.00	0.00	0.00
Piopio Retirement Village Contribution	0.00	0.00	0.00	0.00	0.00	23.00	23.00	0.00	0.00	0.00
Te Kuiti Trade Waste Contribution	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Solid Waste Management - District	158.00	158.00	158.00	316.00	158.00	158.00	158.00	158.00	158.00	474.00
Solid Waste Collection & Recycling	59.00	59.00	68.00	0.00	0.00	132.00	0.00	139.00	0.00	204.00
Marokopa Community Centre	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.00	0.00
Proposed Total Rates 2018/19	3,711.00	3,778.00	3,579.00	6,576.00	3,546.00	4,030.00	2,467.00	3,776.00	12,563.00	23,266.00
Total Rates (Actual) 2017/18	3,591.00	3,669.00	3,481.00	6,421.00	3,623.00	4,077.00	2,435.00	3,822.00	12,494.00	23,146.00
Change (%)	3.3%	3.0%	2.8%	2.4%	-2.1%	-1.2%	1.3%	-1.2%	0.6%	0.5%

WHERE FUNDS COME FROM

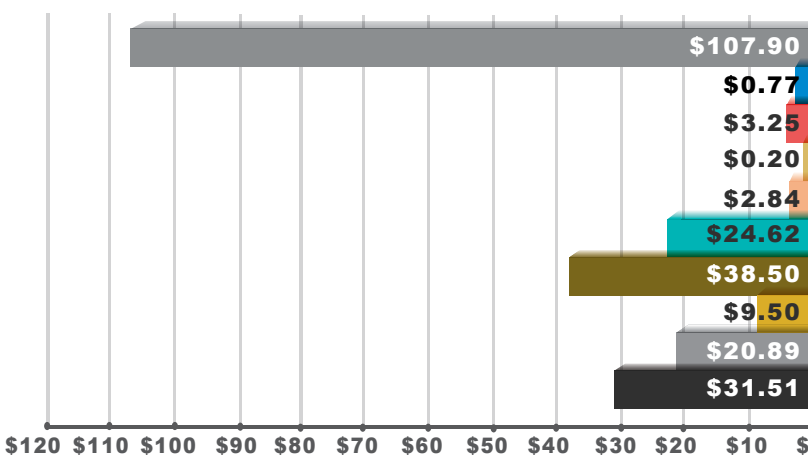
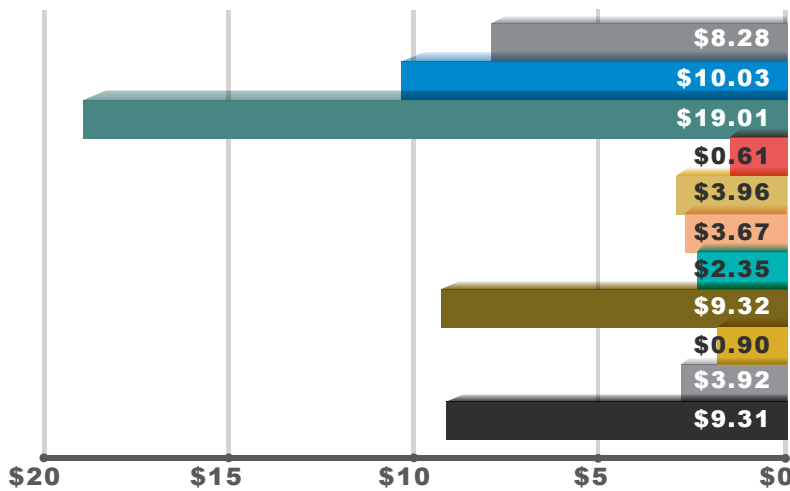
Council revenue or income is funded 60% from rates and 40% from other sources including user fees, grants and subsidies, and investment revenue. We seek funding from alternative sources to rates where possible, for example co-funding for local roads received from NZ Transport Agency. This helps us keep rates affordable while still delivering for our communities.

FORECAST TOTAL REVENUE \$373.1 MILLION



WHERE YOUR RATES GO

These graphs show the range of services that your 2018/19 rates will go towards, many of which you use in daily life.



AUDIT OPINION

Independent auditor's report on Waitomo District Council's consultation document for its proposed 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Waitomo District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Deloitte Limited. We completed our report on 27 March 2018.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long-term plan, because it:
 - o fairly represents the matters proposed for inclusion in the long-term plan; and
 - o identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information that were consistent with those requirements*.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.

[Signature of Appointed Auditor]

Bruno Dente

for Deloitte Limited

On behalf of the Auditor-General, Hamilton, New Zealand

HOW YOU CAN SHAPE OUR DISTRICT

WE ENCOURAGE RESIDENTS AND RATEPAYERS TO PARTICIPATE IN THE CONSULTATION FOR THE LTP 2018-28.

The LTP won't be formally signed off until June 2018, after we have considered all your feedback. **Now is your chance!**

CONSULTATION IS TAKING PLACE FROM THURSDAY 5TH APRIL TO FRIDAY 4TH MAY 2018.

MEET YOUR COUNCILLORS

Your Elected Members would like to hear what you think about our plan. **All of these meetings are open to the public.** Come and discuss your views at these planned events, or contact any of your Elected Members directly:

BENNEYDALE

Tuesday 17th April 2018 at 7.30pm
at the Benneydale Hall, Maniaiti
Road Benneydale.

TE KUITI

Monday 23rd April 2018 at 7.00pm at
the Les Munro Centre, King Street
East, Te Kuiti.

PIOPIO

Thursday 26th April 2018 at 7.00pm
at the Piopio Memorial Hall, Corner
Moa Street and Weka Street, Piopio.

MOKAU

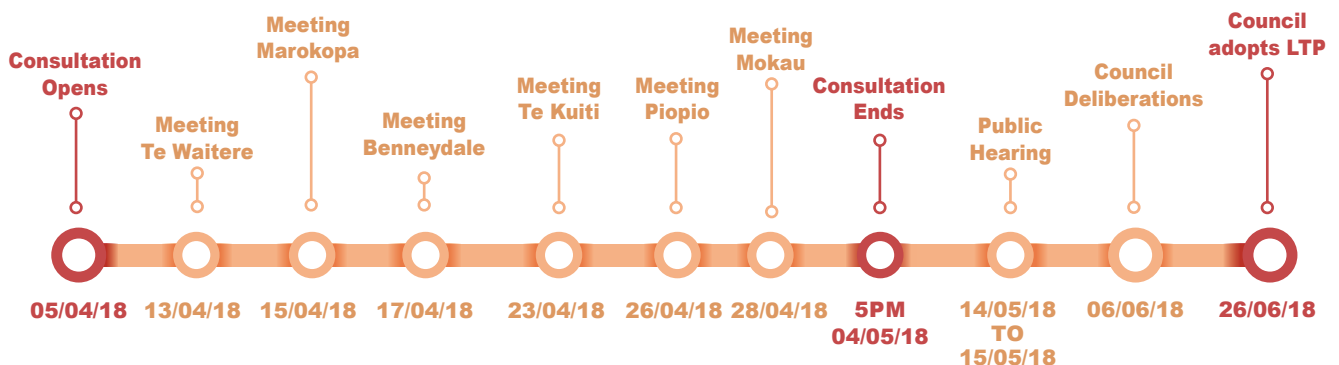
Saturday 28th April 2018 at 1.00pm
at the Mokau Memorial Hall, 28
North Road, Mokau.

MAROKOPA

Sunday 15th April 2018 at 10.30am
at the Coast Sport and Recreation
Centre, Carley Reeve Drive
Marokopa.

TE WAITERE

Friday 13th April 2018 at 6.00pm
at the Te Waitere Boating Club,
Te Waitere Road.



SUBMISSION FORM

FULL NAME

ORGANISATION (If appropriate)

PHONE **POSTAL ADDRESS**

EMAIL

DATE

SIGNATURE

Please tick as appropriate. If neither of the boxes are ticked, it will be considered that you do not wish to be heard.

I WISH TO SPEAK TO COUNCIL ABOUT MY SUBMISSION **I DO NOT WISH TO SPEAK IN SUPPORT OF MY SUBMISSION**

PLEASE REMOVE THESE SUBMISSION PAGES (25-28) AND RETURN TO WDC BY 5PM, FRIDAY MAY 4TH 2018.
 FREEPOST 112498
 WAITOMO DISTRICT COUNCIL
 QUEEN STREET, PO BOX 404, TE KUITI 3941

INDICATE WHICH OPTION YOU SUPPORT FOR OUR SIX PROPOSALS:

1 SAFE COMMUNITIES

Council proposes the local establishment of an accredited Safe Community programme using the Safe Communities model. Refer page 9.

Which option do you choose?

OPTION 1 (PREFERRED OPTION)

Council should pursue Safe Communities accreditation to support the development of our communities.

OPTION 1

OPTION 2:

Council should not pursue the safe communities accreditation.

OPTION 2

OPTION 3:

Council should make the Safe Communities initiative an even greater priority and allocate more funding towards it?

OPTION 3

MY COMMENT:

PLEASE NOTE: Submissions received on the 2018-28 Long Term Plan, will be made publicly available as required by the Local Government Act 2002 and subject to the Local Government Official Information and Meetings Act 1987. This will include name and address of submitters.

SUBMISSION FORM

2 NORTH KING COUNTRY SPORTS AND RECREATION CENTRE

The Game on Charitable Trust (GoCT) proposes the development of the North King Country Indoor Sport and Recreation Centre (the Sports Centre) in Te Kuiti. Council has been invited to **provide funding** for that development. Refer pages 10-11.

Which option do you choose?

OPTION 1 (PREFERRED OPTION)

Council should provide a maximum capital funding grant to the GoCT of **\$1.5 million**, with **\$1 million** provided in **2018/19 year** and \$500,000 in 2019/20 under the proviso that if the GoCT are able to source additional funding from other benefactors then Council would contribute less?

OPTION 1

OPTION 2:

Council should not provide any capital funding for the sports centre.

OPTION 2

4 RATES REMISSION POLICY

We are proposing to establish a new remission category that provides rates remission of up to 50% for one year to new businesses or new developments established within the past 12 months. Council's objective in establishing this remission category is to promote employment and economic development within the District.

We are also proposing a new remission category that provides relief to properties that have been detrimentally affected by erosion, subsidence, submersion, earthquake or other calamities. The objective of establishing this remission category is to assist ratepayers affected by events outside of their control and as the consequence of a natural calamity. Refer page 13.

Council should introduce the new categories for remission into the Rates Remission Policy.

Yes No

3 ECONOMIC DEVELOPMENT

Council plans to **participate and become a member of the proposed** Waikato Regional Economic Development Agency (WREDA), and the **South Waikato economic initiative** to develop a strategy and action plan for the economic development of the South Waikato sub-region to get the best possible return for our investment and to take advantage of the opportunity as part of a bigger collective. Refer page 12.

Do you support Council's proposal to participate in the WREDA and the South Waikato economic initiative? (our preferred option)

Yes No

MY COMMENT:

SUBMISSION FORM

5 PUBLIC TOILETS AT MOKAU AND WAITOMO VILLAGE

Council is proposing to upgrade the Mokau toilets to more appropriately meet user needs in the 2018/19 financial year (first year of the Long Term Plan).

Council is proposing to invest in public toilet facility at Waitomo Village in 2019/20. However, this will be subject to land ownership being vested to Council for such a facility.

The estimated cost of the two facilities will require an investment of approximately \$320,000 each. Refer page 14.

Which option do you choose?

OPTION 1 (PREFERRED OPTION)

Council should apply for external funding from the Tourism Infrastructure Fund (TIF) to cover 50% of the cost of these facilities.

If funding is obtained then proceed with the upgrade at Mokau in 2018/19 and new toilets at Waitomo Village in 2019/20.

OPTION 1

OPTION 2: Council should not proceed with providing the new and upgraded facilities **even if the external funding is obtained.**

OPTION 2

MY COMMENT:

6 FUNDING WATER AND SEWERAGE SERVICES

- Council is of the view that the entire District benefits from adequate and environmentally sound Water and Wastewater services and
- these services should cost the same in each community. Refer pages 15-16.

Which option do you choose?

OPTION 1 (PREFERRED OPTION)

Council should implement the 'same service same rate' proposal phased in over four years (for water) and include 10% district benefit rate for all rating units across the district.

Under this option the water and sewerage assistance subsidies currently paid by all rating units in the district would be replaced with the district benefit allocation and the Piopio Wider Benefit Rating Area (PWBRA) sewerage rate would be removed.

OPTION 1

OPTION 2: Council should stay with the current funding system which is - you pay for water and sewerage based on where you live and all rating units in the district pay an assistance rate for these services in smaller communities and PWBRA Sewerage rate remains.

OPTION 2

MY COMMENT:

NEED MORE SPACE? Please attach additional paper with your name, phone number and page number on each sheet.
 THIS SUBMISSION FORM CAN BE COMPLETED ONLINE AT: www.waitomo.govt.nz/shapeWaitomo




Waitomo
District Council

Document No: A388159

Report To: Council



Meeting Date: 27 March 2018

Subject: Waikato Local Authority Shared Services – Six Monthly Report to Shareholders

Type: Information Only

Purpose

- 1.1 The purpose of this business paper is to present to Council the Waikato Local Authority Shared Services (WLASS) – Six Monthly Report to Shareholders (for the period 1 July 2017 to 31 December 2017).

Background

- 2.1 WLASS is a Council Controlled Organisation (CCO) and all 12 Waikato Councils are equal shareholders in the CCO. The key purpose of WLASS is to drive collaboration between councils, to improve customer service and performance across the Waikato region, and to reduce costs for the Councils.

- 2.2 The standing Working Parties of WLASS are the:

- **Shared Services Working Party**, which comprises the GM Corporate (or equivalent) from all of the shareholding councils, and considers and evaluates new shared services opportunities
- **Waikato IT Managers' Working Party**, which comprises the IT Managers from all of the shareholding councils, and investigates collaboration opportunities in the technology space
- **Health & Safety Working Party**, which comprises the H&S managers (or equivalent) from all of the shareholding councils, and identifies areas where regional Health and Safety policy, procedures or guidelines need to be developed
- **Procurement Managers' Working Party**, which comprises the Procurement Managers from Hamilton City, Waikato Regional and Waikato District councils, and manages all of the WLASS procurement initiatives
- **Asset Valuation Working Party**, which comprises representatives from four of the shareholding councils, and is developing a regional asset valuation template and recommendations for transitioning to standard or consistent asset lives.

- 2.3 In addition, there are three further working parties:

- Shared Valuation Data Services (SVDS) Advisory Group
- Insurance Advisory Group
- Waikato Building Consent Advisory Group.

- 2.4 The details of services provided by WLASS are contained on pages 3-6 of the Six Monthly Report to Shareholders.
- 2.5 A copy of the WLASS – Six Monthly Report to Shareholders to 31 December 2017 (the Report) is attached to and forms part of this business paper.

Commentary

- 3.1 The Report notes that In July 2017, the Board initiated a review of WLASS to explore:
- the current role, structure and achievements of WLASS
 - the current and future issues and opportunities that WLASS and the shareholding councils face
 - the development of thumbnail outlines of alternative business strategies designed to address the issues faced by shareholding councils, where each strategic direction represents a different approach to the future scale, role and nature of WLASS (including continuing the status quo).
- 3.2 Following the receipt of the Stage 1 report in September 2017, the Board requested the consultant to develop a business case.
- 3.3 A report on the business case was considered at the December Board meeting, when it was agreed that further work should be undertaken to explore the possibility of collaborating with BOPLASS to provide shared services.
- 3.4 A joint meeting with the BOPLASS Board is planned in 2018, to explore options for collaborating to provide a shared service delivery agent.
- 3.5 An update on the performance measures as set out in the Statement of Intent for 2017/18 is set out in pages 10-15 of the Report.
- 3.6 Majority of the measures have been achieved (or not applicable) except three that are either not achieved or partly achieved at 31 December. These are –
- All Rata Councils to participate in the Annual Forward Works Program Tour - 8 of 9 Councils participated.
 - Report on tour outcomes prepared by 31 December each year, and circulated to stakeholders - Report was sent out by the end of January 2018.
 - The “Collaboration in Action” document, which summarises the achievements of WLASS, is updated and circulated to shareholders by 31 December 2017 - An update of the document is still in progress. However, a WLASS website has been developed and implemented.
- 3.7 The WLASS Company expenditure for this period was \$2,071,563, against a budget of \$2,141,927. The reasons for variance were:
- Under-expenditure in most of the cost centres
 - Minor over-expenditure in Procurement (\$26,870) and Information Technology (\$27,892)

- Significant over-expenditure in RATA (\$229,856) related to an increase in the cost of the Data Collection contracts (covered by additional revenue).

3.8 Revenue has also exceeded budget at \$3,769,283, compared to a budget of \$2,831,744. The main contributors were:

- Procurement
- Information Technology
- RATA and
- Waikato Building Consent Group

3.9 The management accounts are shown in Appendix 1, pages 18-29 of the Report.

Suggested Resolution

The Waikato Local Authority Shared Services Report to Shareholders for the half-year ended 31 December 2016 be received for information.



VIBHUTI CHOPRA
GROUP MANAGER – CORPORATE SERVICES

20 March 2018

Attachment 1: WLASS – Six Monthly Report to Shareholders for the half-year ended 31 December 2017 (A388108)



SIX MONTHLY REPORT TO SHAREHOLDERS

1 July 2017 to 31 December 2017

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Introduction

Local Authority Shared Services Limited was incorporated in December 2005. At the time, it was the first shared services CCO to be established in New Zealand. Since then, a number of other shared services have been established, each branded with the name of their region (e.g. BOPLASS, MWLASS). On 4 April 2016, the name registered with the Companies Office was changed to Waikato Local Authority Shared Services Ltd. (WLASS) to distinguish it from the other local authority shared services companies around New Zealand.

The Company continues to operate cost effectively with the services of a part-time contracted CEO, a part-time contracted Company Secretary, and a part-time contracted Financial Accountant.

Each of the 12 Waikato local authorities owns an equal number of shares in WLASS and as such has an equal say in its development. This report covers the 6-month period from 1 July to 31 December 2017, as required by Section 66 of the Local Government Act 2002.

Objectives of WLASS

WLASS was established principally to provide the local authorities in the Waikato Region with a vehicle to procure shared services. Its key purpose is to drive collaboration between councils, to improve customer service and performance, and to reduce costs. It provides a mechanism for the development of new services, which are available to be joined by any shareholder that chooses to do so.

The objectives of WLASS are:

- To enable the Waikato councils to collectively be more effective as a region on the national stage
- To contribute to building central government's confidence in the Waikato region, and to encourage central government investment
- To achieve effectiveness and efficiency gains
- To reduce duplication of effort and eliminate waste through repetition
- To make it easier for customers to engage with councils in the Waikato region
- To promote and contribute to the development of best practice
- To promote business transformation to improve customers' experiences.

Over the period that the company has been operating, benefits have been delivered in the form of:

- improved levels and quality of service
- a more co-ordinated approach to the provision of services
- reductions in the cost of services
- the development of new initiatives
- standardisation of service levels
- opportunities for all Councils, irrespective of location or size, to benefit from joint initiatives
- economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

The ability of WLASS to contribute to a greater extent in terms of shared services and also at a strategic collaboration level has also been the subject of discussion at the Waikato Mayoral Forum. WLASS provides financial support services to the Waikato Mayoral Forum, acting as the legal entity to manage all of the contracts arising from the work of the Mayoral Forum and making all contract payments, to enable the successful implementation of Mayoral Forum initiated projects.

The WLASS Directors continue to seek new opportunities, either from internal investigations or from Council or CEO initiatives that are presented to the Board with a sound business case. This may involve resourcing and funding a range of initiatives that will potentially extend the services currently offered by WLASS.

New services that are intended to be initiated under the WLASS umbrella will only be adopted where a business case shows that they provide some form of benefit to the shareholders. The benefits that may be gained include the development of intellectual property through new business services, protection of Council data, improved levels of service and/or reduced costs. All proposals will be presented to the Shareholders for approval prior to their implementation.

Nature and Scope of Current Activities

Working Parties

The WLASS Chief Executive chairs and facilitates a number of Working Parties of council staff. The standing Working Parties of WLASS are the:

- **Shared Services Working Party**, which comprises the GM Corporate (or equivalent) from all of the shareholding councils, and considers and evaluates new shared services opportunities
- **Waikato IT Managers' Working Party**, which comprises the IT Managers from all of the shareholding councils, and investigates collaboration opportunities in the technology space
- **Health & Safety Working Party**, which comprises the H&S managers (or equivalent) from all of the shareholding councils, and identifies areas where regional Health and Safety policy, procedures or guidelines need to be developed
- **Procurement Managers' Working Party**, which comprises the Procurement Managers from Hamilton City, Waikato Regional and Waikato District councils, and manages all of the WLASS procurement initiatives
- **Asset Valuation Working Party**, which comprises representatives from four of the shareholding councils, and is developing a regional asset valuation template and recommendations for transitioning to standard or consistent asset lives.

In addition, there are three further working parties, each with their own chairs, which manage the following activities:

- Shared Valuation Data Services (SVDS) Advisory Group
- Insurance Advisory Group
- Waikato Building Consent Advisory Group.

Services

[Shared Valuation Data Service \(SVDS\)](#)

The **SVDS Advisory Group** is currently undertaking a review to investigate options for the future provision of the SVDS service. A business case and recommendation are scheduled for presentation to the WLASS Board early in 2018, to ensure that there is no disruption to services when the current InterGen contract expires at the end of February 2018. External revenue from data sales now exceeds \$350,000 per annum and is fully funding the investigation and analysis of future options, as well as continuing to offset the cost of operating the SVDS.

[Waikato Regional Transport Model \(WRTM\)](#)

WRTM (now managed by RATA) has continued to be challenging this year, due to ongoing delays in reaching agreement on land use and population data from the shareholding councils. As a result, no modelling work was undertaken during the first six months of this financial year, and the model has not yet been submitted to the peer reviewer. It is anticipated that these issues will be resolved early in 2018, and the model will become operational again.

Insurance

AON continues to provide strategic and operational support and advice to the **Insurance Advisory Group** and the 2017 insurance renewal programme was completed satisfactorily with no major issues raised by any Council. The brokerage services contract with Aon has been extended to 30 June 2019.

Waikato Regional Aerial Photography Service (WRAPS)

WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. There have been three WRAPS contracts – in 2002, 2007 and 2012, with the 2017 contract being let in August 2016. However, due to unsuitable weather conditions for aerial photography over the (wet and cloudy) 2015/16 summer, the contract was not completed. Approximately 65% of rural imagery and 94% of the urban imagery had been completed as at 4 May 2017. A contract variation has now been issued, which provides for the contract to be completed by 30 June 2018. With costs reducing, it is now being proposed that WRAPS will be undertaken again in 2020/21 and 4-yearly thereafter (not 5 yearly), to improve the quality of the data.

Waikato Historic Aerial Photos

In May 2015, WLASS entered into a Memorandum of Understanding with LINZ to scan the **Waikato Historic Aerial Photos** archive. The LINZ Crown archive contains over 500,000 historic aerial photo negatives captured by surveys flown over New Zealand between 1936 and 2005, and is invaluable for showing the changes that have occurred across New Zealand. The scanning project is scheduled for completion by the end of 2018. As the images become available, they are being loaded onto a public website (<http://www.retrolens.nz/map/>), which acknowledges the participation of WLASS.

Local Government Health and Safety Contractor Pre-qualification Scheme

The contract with SHE Software to manage the **Local Government Health & Safety Contractor Pre-qualification Scheme**, which was developed by WLASS, is progressing well. Twenty councils and one CCO from around New Zealand are now using the scheme and over 1,500 contractors have registered, which enables them to be pre-qualified to work for any of the participating councils.

WLASS was a finalist in the NZ Workplace Health & Safety Award for the “ACC Best Leadership of an Industry Sector or Region” category for this project. An application to the SOLGM Local Government Excellence Awards is currently in preparation, and will be submitted in February 2018.

WLASS Website

A new **website** has now been developed for WLASS (<http://www.waikatolass.co.nz/>) which enables all shareholding councils and the general public to gain an overview of the work of WLASS. The site was successfully used for public consultation on the draft Regional Infrastructure Technical Specifications (see below), and will be further developed over time.

Energy Management

This is the second year of the 3-year **Collaboration Agreement with EECA**, which finishes on 30 April 2019. Subsidies of \$83,234 (excl. GST) had been received from EECA as at 31 December 2017. Four energy audits have been undertaken and savings of \$129,000 and 1.2 GWh of energy have been achieved so far. Four more audits have been proposed, but the respective councils have decided not to proceed.

Aligned Resource Consent Planning

The purpose of this project is to make the processing of resource consents more efficient, effective and user friendly from the perspective of all parties involved. The project aims to make business in the Waikato easier by:

- delivering better services to customers
- creating more efficient and effective 'best practice' processes for the administration of resource consenting
- delivering 'best practice' administration of resource consenting
- ensuring regional consistency wherever possible in the administration of resource consenting.

The consultant and team appointed to manage this project have completed preparing the draft toolkit, and it is currently being legally reviewed for compliance with the legislation. The toolkit includes:

- Resource consent application forms
- Minor activity forms
- Written approval forms
- Resource consent application guidance
- Best practice material, e.g. condition writing, pre-application meetings
- Application checklists
- Alignment principles
- Resource consent forum terms of reference
- Resource consent correspondence letters.

It is anticipated that the toolkit will be implemented across the region during the first half of 2018. Ongoing maintenance of the toolkit will be the responsibility of WLASS.

Asset Valuation

The **Asset Valuation Working Party** has developed a regional asset valuation template and is currently preparing a schedule of regional asset classes, components, lives and unit rates. A methodology for calculating regional Unit Rates and Base Lives from the collated data is in preparation. This information will be vital to ensure regional consistency in asset revaluations.

Once the template has been finalised, it is proposed to send it to Audit NZ for review and sign off as an approved document for Asset Valuations. This will enable all participating councils to use the same template with confidence that it meets audit requirements, as well as improving regional consistency in the approach to asset valuation, which should have flow-on insurance benefits. Ongoing maintenance of the regional asset valuation template and updating of the unit rates and base life data will become the responsibility of WLASS.

Regional Infrastructure Technical Specifications (RITS)

This project was initiated by the Waikato Mayoral Forum, and is close to reaching completion, at which time it will be managed by WLASS. The RITS document sets out how to design and construct transportation, water supply, wastewater, stormwater and landscaping infrastructure in the participating councils' areas. Prior to developing RITS, each council had its own Infrastructure Technical Specifications, which resulted in different standards having to be met across the Waikato region. The purpose of RITS is to provide a single regional guide and specifications for building public infrastructure.

The RITS has been out for public consultation, and the feedback received is currently being analysed and the document finalised. RITS is expected to be published by March 2018, and will be available on the WLASS website. Ongoing maintenance of the document will become the responsibility of WLASS.

Three new services became part of WLASS on 1 July 2015 and are now fully integrated into the business.

RATA

RATA is continuing to support better roading asset management across the Waikato and is steadily working towards achieving its vision:

“By 2020, RATA will evolve from its current focus on data and evidence for asset management, to a local government trusted partner to deliver roading asset management services to the Waikato Region.”

The savings achieved by RATA for the period 1 July 2014 to 31 March 2017 were \$1,263,503.

The RATA data collection strategy has been reviewed and a new delivery model is proposed. RATA has extended the three current contracts from 1 November 2017 to 30 June 2018, while a new specialised data collection contract and new visual road rating, visual footpath rating and traffic counting contracts will be publicly tendered and let separately in 2018.

Regional Pavement Deterioration Modelling (dTIMS) for Otorohanga, Waitomo, Matamata Piako and South Waikato District Councils has been completed. Further modelling for Hauraki, Thames Coromandel and Waipa commenced in December 2017.

RATA now administers two new contracts for Bridge and Structures Inspections, servicing six of the RATA councils, and this work is proceeding well.

The forward works programme tour was completed in October 2017, focusing on assessing the right treatments, at the right time. Unfortunately RATA's Economic Evaluation Guideline was again found not to have been extensively used for site evaluations for the 2017/18 programmes. Intensive follow up work is needed to ensure that this work is completed, as it is a compliance requirement of the NZTA.

Waikato Building Consent Group

This group comprises representatives from eight of the shareholding councils, and fosters co-operation and consistency in building control functions, processes, and documentation, to provide excellent and consistent customer service across the Waikato region.

A strategic planning workshop to develop a 10 year vision for the **Waikato Building Consent Group** was held in May 2017. A key outcome was the decision to move all of the participating Building Consent Authorities (BCAs) to an online, digital, end-to-end building consent process. This project is about to get underway. If the majority of BCAs move to the same online system there will be consistency in the areas of customer experience, staff training and business reporting, and it will also aid compliance auditing.

The BCAs continue to struggle to recruit and retain technical officers within a highly competitive market place and high numbers of building consent applications (see table below). Most BCAs have been, or are using contractors to cover the shortfall, which is expensive and has its own challenges. A part time audit assistant is in the process of being recruited by the WBCG, which will reduce each BCA's requirement to assist with audits.

TABLE. Number of Building Consent Applications by Council, 2014 – 2017.

Council	2014/15	2015/16	2016/17
Hamilton	1,542	1,823	1,885
Hauraki	370	354	436
Matamata-Piako	730	708	822
Otorohanga	208	218	220
Thames-Coromandel	983	984	1,186
Waikato	1,643	1,861	1,970
Waipa	1,065	1,263	1,266
Waitomo	146	165	138

The transition to the new mandatory BCA accreditation criteria has been implemented. MBIE staff attended assessments to check that the mandatory criteria were appropriate. This resulted in further changes to the documentation, which was amended in mid-October.

Future Proof

Future Proof has been working on a number of on-going projects, including an update of the Future Proof Strategy, collaboration on the National Policy Statement on Urban Development Capacity (NPS-UDC), submissions to various agencies advocating Future Proof's position, raising cross-boundary issues with Auckland, and supporting key waters and transport projects.

The draft Future Proof Strategy 2017 was publicly notified on 12 June 2017 for a six week period and 45 submissions were received. The Future Proof Strategy 2017 is expected to have been adopted by all of the partner councils by early 2018. The Strategy will be refreshed again during 2018 to address the requirements of the NPS-UDC, but no significant changes are anticipated.

Future Proof and the Mayoral Forum's Waikato Plan team are working towards building a closer working relationship. A first step in this process has been to combine the Chief Executives group. The Waikato Plan and Future Proof Chief Executive's Advisory Group had its first meeting on 20 November 2017, and Future Proof has also joined the Waikato Plan Strategic Partners' Forum.

Procurement

WLASS is a party to numerous **Procurement Contracts** which provide value to the participating councils. Current contracts include: a variety of **Insurance** coverage (Brokerage Services, Material Damage / Business Interruption Insurance, Infrastructure Insurance, Motor Vehicle Fleet Insurance); **Computer-generated Print, Mail-house and e-Services**; a **Professional Services Procurement (PSP) Panel**; an **IT Professional Services Panel**; **Internal Audit Services**; **Postal and Courier Services**; an **Accommodation** provider; **Laboratory Services** for water testing; **water and wastewater treatment plant chemicals**; a **Financial Reporting** tool; a **Fleet Management** system; a **GPS tracking** system; an **Economic profiler**; a **Health and Safety Training** provider; as well as access to **N3** (previously the Government Stores Board), **All of Government** contracts, and **Syndicated contracts**.

In addition, Hamilton City Council has entered into three contracts which include provision for any WLASS shareholding council to enter into a Joining Agreement at no cost, which enables

shareholders to secure the HCC contract rates for: **Library book purchasing, water and wastewater pipe supply**, and an **HR Panel**.

Three new shared services contracts have been implemented over the past 6 months: **On-line Driver Assessment and Training Services, Vehicle Fleet Management and Maintenance**, and **Occupational Health Services**.

N3

For the 12 months ending 31 December 2017, 10 of the WLASS councils (excluding Taupo and Rotorua) spent \$2,215,667 on N3 services, with estimated savings of \$631,531 (22%). However, these savings are measured against the recommended retail price of services by N3, and so are likely to be over-estimated.

All of Government Contracts (AoG)

For the financial year 2016/17, the 12 shareholding councils spent 18,441,067 on various AoG contracts (ranging from between 4 – 18 suppliers across the councils), and achieved savings of 1,641,294 (an average of 8.9%). The results to 31 December 2017 are not yet available.

BP Fuel Savings

For the 12 months ending 31 December 2017, eight of the WLASS councils (excluding Hauraki, Matamata-Piako, Otorohanga and Thames-Coromandel, who have not joined this contract) spent \$1,388,284 on fuel, and achieved savings of \$374,137 (21%) – an average of 27 cents per litre.

Work in Progress

Five new projects have been initiated since the 2017/18 Statement of Intent was adopted.

Procurement Review

The procurement review undertaken by ArcBlue last financial year has been completed and was reported to the Shared Services Working Party in July 2017. A business case to employ a dedicated resource to progress the recommendations in the report was presented to the Board and approved in September 2017. A part-time procurement specialist has recently been engaged (beginning in February 2018) for a period of up to one year to:

- Assist all councils to utilise the existing WLASS contracts, AoG contracts and syndicated contracts that are appropriate for each council, to ensure that opportunities for savings are being maximised
- Develop standard regional procurement policies, templates and procedures and provide training in each council
- Manage the existing WLASS contracts to improve relationship management and ensure that their value is being maximised.

The contractor will work directly with staff in each council to ensure that contract savings are being maximised and that good procurement systems and processes are in place.

Waikato Data Portal

In September 2017, the Shared Services Working Party considered a report and draft business case from the WLASS Data Portal Steering Group for a proposed Waikato Data Portal. The proposed Data Portal would underpin a regional approach to the provision of spatial information and open data, and enhance the customer experience by providing a single site where consumers could access spatial information and other types of data from councils across the Waikato region.

In Canterbury, a similar product called “Canterbury Maps” (<https://canterburymaps.govt.nz>) provides an operative case study of what a Waikato Data Portal could achieve. A review of Canterbury Maps has been completed, which identified that “*Canterbury Maps provides the public unprecedented free access to detailed maps and background data drawn from across the*

Canterbury region including detailed land and property information, data on the region's water and air quality, council services and local attractions." The project is co-ordinated by staff at Environment Canterbury, who work with staff from 10 other councils (including Christchurch City). Canterbury Maps users gain efficiencies through having access to data from all parties in one place instead of having to ask multiple partners to supply data. Previously, customers would have to make requests from multiple councils to gain a regional view.

Funding of up to \$120,000 was approved by the Board for the Steering Group to prepare a final business case (to be presented initially to the Shared Services Working Party and then to the Board later in the first half of 2018, with a specific recommendation about whether or not to proceed). The business case will include details of the financial implications associated with implementing the project for each council, if the recommendation is to "Go".

WLASS Digital Strategy

A WLASS Digital Strategy working group has been established (including staff from Waikato Regional Council, Hamilton City Council, South Waikato District Council, Waipa District Council and Waikato District Council). The following decisions have been made to date:

- The digital strategy will focus on transforming service delivery through collaboration on tactical projects which will be used as proof of concept for driving more aspirational step- change.
- These tactical projects will be customer-centric, improve transactional processes and add value for money.
- The purpose of the digital strategy is not to mandate solutions; it will outline how the participants will work effectively together to achieve common goals.
- The strategy requires agreement and buy-in from both the Shared Services Working Party and the WLASS Board to be successful.
- Projects will be implemented through a coalition of the willing that will lead by example, and be guided by agreed principles.

The Digital Strategy will evolve as the working party continues to learn more about each other's priorities, understands where value can be added by working collaboratively, and builds strong foundations. Regular updates are being provided to the Shared Services Working Party and the Board.

Joint Solid Waste Project with BOPLASS

Since 2016, BOPLASS has been investigating opportunities to work collaboratively on solid waste initiatives. The opportunities identified ranged from small financial and resource gains through immediate collaboration, to potentially much larger gains which would require a greater investment in time and resources from BOPLASS and the councils.

BOPLASS has developed business cases for:

- a regional or cross-regional approach to licensing and data collection for waste operators
- diverting putrescible wastes from landfill
- a regional facilities strategy.

In December, the Board approved supporting Stage 1 (Scoping) of the Licensing and Data Collection project, and committed funding of \$7,350 for the WLASS share. A workshop with the Waikato and BOP Waste Liaison Group is scheduled for February 2018 to initiate this project and to consider whether or not WLASS will support either of the other two projects.

Strategic Review of WLASS

In July 2017, the Board initiated a review of WLASS to explore:

- the current role, structure and achievements of WLASS
- the current and future issues and opportunities that WLASS and the shareholding councils face
- the development of thumbnail outlines of alternative business strategies designed to address the issues faced by shareholding councils, where each strategic direction

represents a different approach to the future scale, role and nature of WLASS (including continuing the status quo).

Following the receipt of the Stage 1 report in September 2017, the Board requested the consultant to develop a business case to address:

- the most likely initial candidates for the provision of services to councils, and a discussion of the markets for those services beyond the Waikato, and the potential for other services to be offered
- the potential scale, capacity and capability that would be required of the company in order for it to provide those services – including what would be required of a chief executive
- a staged approach to establishing the capability to take on this new role – including the design of a contracting model, the design of specific services, managing risk, separating the roles of director and the purchaser of services, indicative costs and establishment timelines
- options for changes to the Board of WLASS to reflect the new role for the company.

The report was considered at the December Board meeting, when it was agreed that further work should be undertaken to explore the possibility of collaborating with BOPLASS to provide shared services. A joint meeting with the BOPLASS Board is planned in 2018, to explore options for collaborating to provide a shared service delivery agent. A decision on the governance structure of WLASS has been deferred until after the BOPLASS meeting has been held.

WLASS Chief Executive

Sally Davis completed three years in the role of CEO in July 2017. The Board has been pleased with the contribution that Sally has made and the progress forward under her direction. Sally's contract has been extended for a further ten months, until 30 April 2018, at which time she is retiring. It is proposed that an interim CEO be appointed for a period of one year, while the Board completes the strategic review noted above.

Other Benefits Secured for WLASS Stakeholders


Two workshops have been provided free of charge as part of current WLASS contracts.





Aon organised a workshop on environmental liability risk, the exposure to local authorities and the application/costs of risk transfer on 9 August 2017. The workshop was led by an Australasian expert from Sydney.






On 6 September 2017, KPMG held its Annual Insights Panel Workshop. The theme for this year's session was leveraging emerging technology opportunities in local government.








Performance Measures









The following performance measures were included in the Statement of Intent for the 2017/18 financial year. An update on their status as at 31 December 2017 is shown in the table below.








TARGET	METHOD	MEASURE	ACTUAL OUTCOME	
Procurement Joint procurement initiatives for goods and services for WLASS councils will be investigated and implemented.	Procurement is from sources offering best value, service, continuity of supply, and/or opportunities for	Implement the recommendations of the Procurement review, as approved by the Board.	On Track A procurement specialist has been engaged to assist all 12 councils to participate in the	

	integration.		<p>existing WLASS contracts, relevant All of Government contracts and other syndicated contracts that are appropriate for each council, to ensure that opportunities for savings are being maximised; and to develop standard regional procurement policies, templates and procedures and provide training in each council.</p> <p>On Track New contracts have been procured with Waikato Occupational Health (staff health-related services); Fleetcoach (on-line driver training); FleetSmart (vehicle fleet management and maintenance).</p>	
<p>Collaborative Projects Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.</p>	The focus is on shared services which will benefit all councils.	<p>A minimum of three priority projects for collaboration are identified per annum.</p> <p>If considered of value, business cases are developed for approval by the Board, and the projects are implemented.</p>	<p>Achieved New projects being investigated are a regional Data Portal, a WLASS Digital Strategy, and shared waste projects with BOPLASS.</p> <p>On Track Preparation of a business case for a regional Data Portal is in progress. A business case for the expansion of WLASS's shared services has been completed.</p>	 
<p>Existing WLASS Contracts Existing contracts are managed and renegotiated as required.</p>	Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.	The WLASS Contracts Register is maintained and managed.	<p>On Track The Contracts Register has been updated and document numbers added to all contracts.</p>	

		Contracts which are due for renewal are tested for competitiveness and either renegotiated or re-tendered through a competitive process.	On Track Contract extensions have been put in place with all of the Professional Services Panel members; Infometrics (provision of economic data); and Aon (insurance brokerage services).	
Cashflow The company shall maintain a positive cashflow position.	The Financial Accountant reviews cashflow monthly.	The WLASS Board reviews the financial statements quarterly.	On Track Financial management accounts were presented to the July, August, September and December Board meetings.	
Cost Control Administration expenditure shall be managed and monitored.	The Financial Accountant and Chief Executive review expenditure monthly.	Administration expenditure shall not exceed budget by more than 5%, unless prior approval is obtained from the Board.	Achieved Administration expenditure has not exceeded budget.	
Reporting Six monthly reports provided to Shareholders.	The Chief Executive prepares a written report for the WLASS Board every meeting.	The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months.	Achieved This is the 6-monthly report.	
	One 6-monthly and one Annual Report are prepared for shareholders.	Every second report shall be the Annual Report, which includes a report that all of the statutory requirements of the WLASS are being adhered to.	Achieved The signed copy of the Annual Report was sent to all shareholders on 11 October 2017.	

Waikato Mayoral Forum The company shall provide administrative support to the Mayoral Forum work streams and to the Mayoral Forum.	Mayoral Forum projects shall be managed financially through the WLASS.	Approved invoices for Mayoral Forum projects are paid by the 20 th of the month following their receipt.	On Track All approved invoices have been paid by the 20 th of the month following their receipt.	
Shared Valuation Data Services (SVDS) The SVDS is reliable, well maintained and available to all users.	A Contract Manager is appointed for SVDS. The Contract Manager monitors performance of the contractors and reports quarterly to the SVDS Advisory Group.	The SVDS is available to users at least 99% of normal working hours. All capital enhancement work is supported by a business case and approved by the SVDS Advisory Group. The SVDS Advisory Group meets at least 6-monthly.	Achieved Availability to 31 December 2017 was 99.9%. N/A No capital enhancement work has been undertaken. Achieved The Advisory Group met on 31 August and 9 November 2017.	  
Insurance Achieve the relevant KPIs in Appendix 4 of the Insurance Brokerage contract with Aon.	The Insurance Broker delivers on the terms of their contract and provides value to the participating councils.	Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils. The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.	N/A Shareholders' survey is scheduled for March 2018. N/A Shareholders' survey is scheduled for March 2018.	 
RATA All stakeholders are kept informed about RATA's projects and achievements.	Six monthly and annual reports are provided to all stakeholders.	Reports presented to WLASS Board as at 30 December and 30 June, and circulated to stakeholders.	On Track 6-monthly report presented to the December Board meeting and provided to stakeholders.	

<p>Sub-regional data collection contracts deliver good quality data on roading assets.</p>	<p>Annual Forward Works Programme tours are completed, to provide opportunities for councils' roading staff to share their knowledge and experience</p> <p>Data collection contracts (minimum of two across the region) are managed in accordance with best practice.</p> <p>Data supplied by contractors is of good quality and meets all councils' requirements.</p>	<p>Reports include a summary of savings and achievements.</p> <p>All RATA councils participate in the tour.</p> <p>Report on tour outcomes prepared by 31 December each year, and circulated to stakeholders.</p> <p>Contracts which are due for renewal are tested for competitiveness and either renegotiated or tendered through a competitive process.</p> <p>Any data issues are identified and resolved, with any incidents reported to stakeholders.</p>	<p>Achieved A summary of savings and achievements was included in the 6-monthly report.</p> <p>Partially Achieved The tours were undertaken in August/September 2017 and 8 of the 9 councils participated.</p> <p>Not Achieved Report was in preparation in December and was sent out by the end of January 2018.</p> <p>On track Contracts are due to be tendered in 2018.</p> <p>Achieved All performance criteria in the contracts have been met.</p>	<p></p> <p></p> <p></p> <p></p> <p></p>
<p>Waikato Regional Transport Model (WRTM) The WRTM is reliable, well maintained and available to all users.</p>	<p>RATA manages the WRTM on behalf of the participating councils, and monitors the performance of the model supplier (currently Traffic Design Group).</p> <p>RATA reports quarterly to the WRTM Project Advisory Group.</p>	<p>All modelling reports requested from the model supplier are actioned within the agreed timeframe, scope and budget.</p> <p>A report from RATA on any new developments and on the status of the model is provided to the WCLASS Board at least every six months.</p> <p>The quality of the base model complies with NZTA guidelines (as set out in the NZTA's Economic Evaluation Manual),</p>	<p>N/A No modelling reports have been requested.</p> <p>On Track 6-monthly report presented to the December Board meeting.</p> <p>N/A Peer review has yet to be commissioned.</p>	<p></p> <p></p> <p></p>

		and is independently peer reviewed each time the model is updated.		
<p>Waikato Building Consent Group Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.</p>	Develop and maintain a quality assurance system for building consents, that meets statutory compliance and supports excellence and consistency in customer service and business practice.	<p>Internal audits are completed annually for each Group member.</p> <p>Group members are provided with a joint quality assurance system that meets statutory compliance.</p> <p>Report at least six monthly to the WLASS Board on the Group's activities.</p>	<p>On Track Annual audits are in progress.</p> <p>On Track Regulation 17 Audit and Review is in progress.</p> <p>On Track 6-monthly report presented to the December Board meeting.</p>	  
<p>Future Proof All stakeholders are kept informed about Future Proof's projects and achievements.</p>	Six monthly and annual reports are provided to all stakeholders.	Reports presented to WLASS Board as at 30 December and 30 June, and circulated to stakeholders.	<p>On Track 6-monthly report presented to the December Board meeting.</p>	
<p>Shareholder Survey Shareholders are satisfied with the performance of WLASS.</p>	An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.	A survey of shareholders is undertaken each year, and the results are reported to all shareholders.	<p>N/A Shareholders' survey is scheduled for March 2018.</p>	
<p>Review of Benefits Shareholders are informed of the benefits being provided to shareholding councils by WLASS.</p>	The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.	<p>Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders.</p> <p>The "Collaboration in Action" document, which summarises the achievements of WLASS, is updated and circulated to shareholders by 31 December 2017.</p>	<p>Achieved Information has been included in the 6-monthly and Annual reports.</p> <p>Not Achieved An update of the document summarising the achievements of WLASS is still in progress. However, a WLASS website has been developed and implemented: www.waikatolass.co.nz</p>	 

WLASS Financial Position

Expenditure for the WLASS Company has been assessed on the basis of the direct cost of management and services. The Directors require that the management costs be kept to a minimum.

The WLASS Company expenditure for this period was \$2,071,563, against a budget of \$2,141,927. The small positive variance is due to under-expenditure in most of the cost centres, except for minor over-expenditure in Procurement (\$26,870) and Information Technology (\$27,892), but significant over-expenditure in RATA (\$229,856). The RATA expenditure is related to an increase in the cost of the Data Collection contracts (see below), and is more than covered by additional revenue.

Revenue has also exceeded budget at \$3,769,283, compared to a budget of \$2,831,744. The main contributors were:

- 1) Procurement – revenue has increased by \$354,399, primarily due to the delay in completing the WRAPS project and funding of \$100,000 for a new Procurement Advisor, which was approved by the Board after the SOI was adopted.
2. Information Technology - revenue has increased by \$120,814 due to the new Data Portal project, which was approved by the Board after the SOI was adopted.
3. RATA - revenue has increased by \$308,615, primarily due to increased costs associated with the Data Collection contracts, which were approved by the participating councils and by the Board, after the SOI was adopted.
- 4) Waikato Building Consent Group - revenue to date has increased by \$299,600, primarily due to the strategic review and new work plan which was developed after the SOI was adopted. The additional budget was approved at the July Board meeting.

Overall, revenue exceeded expenditure by \$1,615,912, compared with a budget of revenue exceeding expenditure by \$607,692.

The combined services costs are shown in the financial statements attached in Appendix 1. The financial statements meet the WLASS policies outlined in Appendix 2, as well as complying with the generally accepted international accounting principles.

Outcome of 2017 Audit

Audit New Zealand issued an unmodified audit opinion on 5 October 2017. No issues were raised by the auditor, which was a very pleasing result.

Directors


The Directors appointed for the period that this six monthly report covers were:

Director	Position	Director Appointed By
Gavin Ion (Chair)	Chief Executive, Waikato District Council	Waikato District Council
Blair Bowcott	Executive Director, Hamilton City Council	Hamilton City Council
Langley Cavers	Chief Executive, Hauraki District Council	Hauraki District Council
Don McLeod	Chief Executive, Matamata-Piako District Council	Matamata-Piako District Council
Dave Clibbery	Chief Executive, Otorohanga District Council	Otorohanga District Council
Geoffrey Williams	Chief Executive, Rotorua District Council	Rotorua District Council
Craig Hobbs	Chief Executive, South Waikato District Council	South Waikato District Council
Gareth Green	Chief Executive, Taupo District Council	Taupo District Council
Rob Williams	Chief Executive, Thames-Coromandel District Council	Thames-Coromandel District Council
Vaughan Payne	Chief Executive, Waikato Regional Council	Waikato Regional Council
Garry Dyet	Chief Executive, Waipa District Council	Waipa District Council
Chris Ryan	Chief Executive, Waitomo District Council	Waitomo District Council

Appendix 1

Management Accounts for Period ended 31 December 2017

Company Summary

Notes		Year to Date		Full Year		
	Actual YTD	Budget	Variance	Budget	Forecast	Last Year
Waikato Local Authority Shared Services						
Management Accounts for the Period Ended 31 December 2017						
Company Summary						
						
Income						
Company Administration	258,334	257,660	673	301,788	307,688	270,833
Procurement	905,108	550,709	354,399	599,655	962,052	814,504
Information Technology	164,414	43,600	120,814	43,600	164,414	53,600
Energy Management	111,916	106,700	5,216	124,200	124,200	59,868
Shared Valuation Data Service (SVDS)	363,380	359,712	3,669	649,648	639,234	721,220
Road Asset Technical Accord (RATA)	1,069,743	761,129	308,615	930,621	1,295,108	1,107,321
Waikato Regional Transport Model (WRTM)	31,032	28,575	2,457	102,299	102,299	113,538
Waikato Building Consent Group	437,652	138,053	299,600	316,105	572,105	336,862
Future Proof	321,354	290,489	30,866	580,977	535,751	630,830
Waikato Mayoral Forum	106,351	295,149	(188,798)	471,672	474,886	462,407
Total Income	3,769,283	2,831,774	937,509	4,120,565	5,177,737	4,570,982
Operating Expenditure						
Company Administration	136,170	157,930	21,760	317,788	288,093	219,653
Procurement	371,834	344,965	(26,870)	572,655	695,606	782,512
Information Technology	49,692	21,800	(27,892)	43,600	195,177	63,075
Energy Management	58,884	62,100	3,216	124,200	124,200	96,822
Shared Valuation Data Service (SVDS)	268,105	343,125	75,020	684,864	655,570	570,696
Road Asset Technical Accord (RATA)	705,655	475,799	(229,856)	951,598	1,241,565	1,168,385
Waikato Regional Transport Model (WRTM)	27,299	51,832	24,534	102,299	102,289	109,721
Waikato Building Consent Group	117,891	158,053	40,162	316,105	572,105	265,325
Future Proof	229,683	290,489	60,806	580,977	592,810	572,419
Waikato Mayoral Forum	106,351	235,836	129,485	471,672	413,339	462,407
Total Operating Expenditure	2,071,563	2,141,927	70,364	4,165,758	4,880,754	4,311,016
Earnings before interest, tax and depreciation/ amortisation (EBITA)	1,697,720	689,847	1,007,873	(45,193)	296,983	259,966
Non-Cash Operating Expenditure						
Company Admin Non-Cash Expenditure	128	86	(43)	171	256	171
SVDS Non-Cash Expenditure	45,222	45,612	390	91,223	90,444	91,199
WRTM Non-Cash Expenditure	36,458	36,458	0	72,916	72,916	72,916
Total Non-Cash Operating Expenditure	81,808	82,155	347	164,310	163,616	164,286
Earnings before interest and tax	1,615,912	607,692	1,008,220	(209,503)	133,368	95,680
Net Surplus (Deficit) before tax	1,615,912	607,692	1,008,220	(209,503)	133,368	95,680
CA Net Surplus (Deficit) before tax	122,036	99,645	22,391	(16,171)	19,339	51,009
Procurement Net Surplus (Deficit) before tax	533,274	205,745	327,529	27,000	266,446	31,993
IT Net Surplus (Deficit) before tax	114,722	21,800	92,922	0	(30,763)	(9,475)
Energy Mgmt. Net Surplus (Deficit) before tax	53,032	44,600	8,432	0	0	(36,954)
SVDS Net Surplus (Deficit) before tax	50,053	(29,025)	79,078	(126,439)	(106,780)	59,325
RATA Net Surplus (Deficit) before tax	364,088	285,330	78,759	(20,977)	53,543	(61,065)
WRTM Net Surplus (Deficit) before tax	(32,725)	(59,715)	26,991	(72,916)	(72,906)	(69,100)
WBCG Net Surplus (Deficit) before tax	319,762	(20,000)	339,762	0	0	71,537
Future Proof Net Surplus (Deficit) before tax	91,671	0	91,671	0	(57,059)	58,411
MF Net Surplus (Deficit) before tax	0	59,313	(59,313)	0	61,547	(0)
Net Surplus (Deficit) before tax	1,615,912	607,692	1,008,220	(209,503)	133,368	95,680
Capital Expenditure						
SVDS Enhancements	0	0	0	10,384	0	0
Total Cash Expenditure (Opex, Interest & Capital)	0	0	0	10,384	0	0

Company Administration

Notes		Year to Date			Full Year		
		Actual YTD	Budget	Variance	Budget	Forecast	Last Year
Waikato Local Authority Shared Services							
Management Accounts for the Period Ended 31 December 2017							
Company Admin							
Income							
		213,532	213,532	(0)	213,531	213,532	209,550
		39,128	39,128	(0)	78,256	78,256	55,068
	1	5,674	5,000	674	10,000	15,900	6,215
		258,334	257,660	673	301,788	307,688	270,833
Expenses							
		21,180	24,000	2,820	48,000	48,000	30,909
	2	3,350	2,547	(803)	5,095	5,600	4,500
		0	0	0	20,600	20,910	20,600
		0	47	47	94	94	36
		0	1,274	1,274	2,548	2,548	0
		160	255	95	510	320	320
		0	1,274	1,274	2,548	2,548	0
		0	1,392	1,392	2,784	2,784	7,616
		73	662	589	1,325	1,325	1,302
		2,720	2,720	0	2,768	2,720	2,720
		67,600	99,862	32,262	199,724	150,000	123,441
		0	0	0	0	0	5,139
		0	0	0	0	0	3,000
		0	2,803	2,803	5,605	5,605	8,832
		5,636	5,095	(541)	10,190	10,190	11,238
	3	34,991	16,000	(18,991)	16,000	34,991	0
	4	460	0	(460)	0	460	0
		136,170	157,930	21,760	317,788	288,093	219,653
		122,164	99,730	22,433	(16,000)	19,595	51,180
Non-Cash Expenses							
	5	128	86	43	171	256	171
		122,036	99,645	22,391	(16,171)	19,339	51,009
		122,036	99,645	22,391	(16,171)	19,339	51,009
Cash Surplus							
		126,653	-	-	-	126,653	78,482
	6,7	(33,232)	-	-	-	(33,232)	(3,009)
		122,164	-	-	-	19,595	51,180
		215,585	-	-	-	113,016	126,653
Notes							
1) New Term Deposits to bring in additional interest.							
2) Forecast adjusted to show fees as quoted by PWC; Tax disclosure to be up to \$2,850 and Income tax return up to \$2,750.							
3) Funded from 2016/17 cash surplus, as approved by the Board at the May and September 2017 meetings.							
4) Approved by the Board at the July 2017 meeting.							
5) MoneyWorks to be fully amortised by 30 June 2019. Financial system under review.							
6) \$15,000 transferred to Procurement for Asset Valuation Working Party. Approved by the Board at the June 2017 meeting.							
7) \$18,232 transferred to IT for Geospatial Data Project. Approved by the Board at the August 2017 meeting.							

Procurement




Waikato Local Authority Shared Services
Management Accounts for the Period Ended 31 December 2017
Procurement of Shared Services

	Notes	Year to Date			Full Year		Last Year
		Actual YTD	Budget	Variance	Budget	Forecast	
Income							
Procurement Member Charges		20,000	20,000	0	20,000	20,000	20,000
N3 Membership Fee Recovery		0	0	0	18,000	18,000	18,000
Value Financials Fee Recovery	1	0	0	0	30,946	30,946	31,006
Insurance Brokerage Fee Recovery		150,303	150,300	3	150,300	150,303	152,586
Infometrics Fee Recovery	2	82,584	69,920	12,664	69,920	82,584	69,920
Health and Safety Working Party		5,000	5,000	0	5,000	5,000	7,500
Elected Member Health and Safety Training		0	0	0	0	0	4,382
WRAPS Recovery	3	340,708	153,489	187,219	153,489	348,708	434,110
Regional Infrastructure Technical Specification	4	46,934	0	46,934	0	46,934	0
Aligned Planning Project		75,000	75,000	0	75,000	75,000	0
Historical Aerial Photos Recovery		77,227	77,000	227	77,000	77,227	77,000
Procurement Advisor	5	100,000	0	100,000	0	100,000	0
Solid Waste	6	7,351	0	7,351	0	7,350	0
Total Income		905,108	550,709	354,399	599,655	962,052	814,504
Expenses							
Professional Services (Procurement Review)		8,000	8,000	0	20,000	8,000	12,000
N3 Membership Fee Recovery		0	0	0	18,000	18,000	18,000
Value Financial Fees	1	0	0	0	30,946	30,946	31,006
Insurance Brokerage Fee Payable		150,303	150,300	(3)	150,300	150,303	152,586
Infometrics	2	82,584	69,920	(12,664)	69,920	82,584	69,920
Asset Valuation Services	7	10,133	0	(10,133)	0	15,000	1,943
Health and Safety Working Party		0	2,500	2,500	5,000	5,000	8,566
Elected Member Health and Safety Training		0	0	0	0	0	4,382
WRAPS Services		52,614	76,745	24,131	153,489	161,489	434,110
Regional Infrastructure Technical Specification	4	32,375	0	(32,375)	0	46,934	0
Aligned Planning Project		35,825	37,500	1,675	75,000	75,000	0
Historical Aerial Photos Services		0	0	0	50,000	50,000	50,000
Procurement Advisor	5	0	0	0	0	45,000	0
Solid Waste	6	0	0	0	0	7,350	0
Total Expenses		371,834	344,965	(26,870)	572,655	695,606	782,512
Earnings before interest, tax and depreciation/ amortisation (EBITA)		533,274	205,745	327,529	27,000	266,446	31,992
Earnings before interest and tax		533,274	205,745	327,529	27,000	266,446	31,992
Net Surplus (Deficit) before tax		533,274	205,745	327,529	27,000	266,446	31,992
Movement from revenue in advance	3	(143,045)	-	-	-	(143,045)	143,045
Cash Surplus							
Cash opening balance		70,516	-	-	-	70,516	35,515
plus /(less) transfers	7	15,000	-	-	-	15,000	3,009
Cash movement for year		518,274	-	-	-	266,446	31,992
Total Surplus / (Deficit)		603,790	-	-	-	351,962	213,561


Notes

- 1) The councils involved are Taupo including two CCO's, Waitomo District, Waikato Regional Council and WLASS.
- 2) The councils involved are Hamilton City, Hauraki, Matamata Piako, South Waikato and Waikato Districts, and Waikato Regional councils.
- 3) Funds released from RIA. Forecasted extra \$8,000 from LINZ
- 4) Transferred from the Mayoral Forum cost centre.
- 5) Approved by the Board at the September meeting.
- 6) Approved by the Board at the December meeting.
- 7) \$15,000 transferred from Company Admin 2016/17 cash surplus, as approved by the Board at their 7th June 2017 meeting.

Information Technology

Waikato Local Authority Shared Services Management Accounts for the Period Ended 31 December 2017 Information Technology (IT)							
	Notes	Actual YTD	Year to Date Budget	Variance	Full Year Budget	Forecast	Last Year
Income							
Meeting Expenses		1,000	1,000	0	1,000	1,000	1,000
IT Initiatives Contributions		42,600	42,600	0	42,600	42,600	52,600
Collaboration Portal - Additional Licenses	1	814	0	814	0	814	0
Geospatial Data Project	2	120,000	0	120,000	0	120,000	0
Total Income		164,414	43,600	120,814	43,600	164,414	53,600
Expenses							
Meeting Expenses		362	500	138	1,000	1,000	917
GIS Shared Data Portal	3	700	3,800	3,100	7,600	7,600	11,799
Collaboration Portal	3	36,577	17,500	(19,077)	35,000	36,577	37,883
GIS Regional Review		0	0	0	0	0	12,476
Geospatial Data Project	2	12,053	0	(12,053)	0	150,000	0
Total Expenses		49,692	21,800	(27,892)	43,600	195,177	63,075
Earnings before interest, tax and depreciation/ amortisation (EBITA)		114,722	21,800	92,922	0	(30,763)	(9,475)
Earnings before interest and tax		114,722	21,800	92,922	0	(30,763)	(9,475)
Net Surplus (Deficit) before tax		114,722	21,800	92,922	0	(30,763)	(9,475)
Cash Surplus							
Opening balance		11,768	-	-	-	11,768	21,243
plus /(less) transfers		18,232	-	-	-	18,232	0
Movement for year		114,722	-	-	-	(30,763)	(9,475)
Cash Surplus / (Deficit)		144,722	-	-	-	(763)	11,768
Notes							
1) Revenue from purchase of additional Collaboration Portal Licences.							
2) Funding transferred from IT and Company Admin 2016/17 cash surpluses (\$30,000) and additional project funding from all shareholders (\$120,000). Approved by the Board at the August and September 2017 meetings.							
3) All councils are involved except Rotorua and Taupo, who are participating via BOPLASS.							

Energy Management

Waikato Local Authority Shared Services Management Accounts for the Period Ended 31 December 2017 Energy Management							
	Notes	Actual YTD	Year to Date Budget	Variance	Full Year Budget	Forecast	Last Year
Income							
EECA Collaboration - Council Contributions	1	89,200	89,200	0	89,200	89,200	0
EECA Revenue		22,716	17,500	5,216	35,000	35,000	59,868
Total Income		111,916	106,700	5,216	124,200	124,200	59,868
Expenses							
EECA Collaboration		54,578	44,600	(9,978)	89,200	89,200	81,137
Professional Services Costs		4,306	17,500	13,194	35,000	35,000	15,685
Total Expenses		58,884	62,100	3,216	124,200	124,200	96,822
Earnings before interest, tax and depreciation/ amortisation (EBITA)		53,032	44,600	2,000	0	0	(36,954)
Earnings before interest and tax		53,032	44,600	8,432	0	0	(36,954)
Net Surplus (Deficit) before tax		53,032	44,600	8,432	0	0	(36,954)
Cash Surplus							
Opening balance		19,362	-	-	-	19,362	56,316
plus /(less) transfers		0	-	-	-	0	0
Movement for year		53,032	-	-	-	0	(36,954)
Cash Surplus / (Deficit)		72,394	-	-	-	19,362	19,362
Notes							
1) All councils are involved, except Matamata Piako who were not eligible.							

Shared Valuation Data Service (SVDS)

Notes		Actual YTD	Year to Date Budget	Variance	Full Year		Last Year
					Budget	Forecast	
Waikato Local Authority Shared Services							
Management Accounts for the Period Ended 31 December 2017							
Shared Valuation Data Service (SVDS)							
Income							
		103,490	103,490	0	206,980	206,980	267,985
		80,189	80,189	0	80,189	80,189	78,463
	1	0	0	0	10,414	0	0
		179,701	176,033	3,669	352,065	352,065	374,772
		363,380	359,712	3,669	649,648	639,234	721,220
Expenses							
		23,966	24,796	830	49,592	49,592	48,668
	2	24,150	53,735	29,585	107,470	75,270	98,900
		136,501	144,284	7,783	288,568	288,568	273,002
		38,499	39,977	1,478	79,954	79,954	76,998
		6,510	12,096	5,586	24,192	24,192	24,821
	3	20,916	22,500	1,584	45,000	45,000	12,432
		0	3,185	3,185	6,369	6,369	0
		2,016	25,000	22,984	50,000	50,000	0
		0	150	150	300	300	230
	4	4,291	1,385	(2,906)	1,385	4,291	4,325
		0	4,000	4,000	8,000	8,000	329
		768	1,529	761	3,057	3,057	3,458
		10,488	10,489	1	20,977	20,977	27,533
		268,105	343,125	75,020	684,864	655,570	570,696
		95,275	16,587	78,688	(35,216)	(16,336)	150,524
Non-Cash Expenses							
	5	45,222	45,612	390	91,223	90,444	91,199
		50,053	(29,025)	79,078	(126,439)	(106,780)	59,325
		50,053	(29,025)	79,078	(126,439)	(106,780)	59,325
Capital Expenditure							
	1	0	0	0	10,384	0	0
		268,105	343,125	75,020	695,248	655,570	570,696
Cash Surplus							
		185,354	-	-	-	185,354	34,830
		0	-	-	-	0	0
		95,275	-	-	-	(16,336)	150,524
	6	280,629	-	-	-	169,018	185,354
Notes							
1) No further enhancements to the current product are planned.							
2) Contracted hours with Interger have reduced from 75 to 35 hours per month, saving \$32,200 for the year.							
3) Project approved by the Board in March 2017, funded from 2016/17 cash surplus.							
4) Insurance forecast includes the professional indemnity and technology liability insurance for RVSL .							
5) SVDS Asset to be fully depreciated by 30 June 2019.							
6) Cash surplus being held to provide for future SVDS services. Business case will be presented to the Board once analysis completed.							

Road Asset Technical Accord (RATA)

Notes		Year to Date			Full Year		Last Year
		Actual YTD	Budget	Variance	Budget	Forecast	
Waikato Local Authority Shared Services							
Management Accounts for the Period Ended 31 December 2017							
Road Asset Technical Accord (RATA)							
Income							
	1	337,215	160,493	176,723	320,985	553,580	467,638
		591,636	591,636	0	591,636	591,636	599,000
		37,400	0	37,400	0	37,400	0
		0	0	0	0	0	40,683
		9,000	9,000	0	18,000	18,000	0
	2	94,492	0	94,492	0	94,492	0
Total Income		1,069,743	761,129	308,615	930,621	1,295,108	1,107,321
Expenses							
	1	352,521	160,493	(192,029)	320,985	553,580	459,014
		2,548	2,548	(1)	5,095	5,095	0
		600	1,529	929	3,057	1,400	0
		9,427	10,190	763	20,380	20,380	22,201
		37,400	23,947	(13,454)	47,893	47,893	39,430
		233,670	180,500	(53,170)	361,000	467,140	355,000
		0	3,567	3,567	7,133	7,100	24,790
	3	59,000	82,539	23,539	165,078	118,000	237,500
		10,489	10,489	(1)	20,977	20,977	0
		0	0	0	0	0	30,450
Total Expenses		705,655	475,799	(229,856)	951,598	1,241,565	1,168,385
Earnings before interest, tax and depreciation/ amortisation (EBITA)		364,088	285,330	78,759	(20,977)	53,543	(61,065)
Earnings before interest and tax		364,088	285,330	78,759	(20,977)	53,543	(61,065)
Net Surplus (Deficit) before tax		364,088	285,330	78,759	(20,977)	53,543	(61,065)
Movement from revenue in advance	2	(94,492)	-	-	-	(94,492)	139,988
Cash Surplus		(57,615)	-	-	-	(57,615)	3,450
Cash opening balance		0	-	-	-	0	0
plus /(less) transfers		364,088	-	-	-	53,543	(61,065)
Total Surplus / (Deficit)		306,474	-	-	-	(98,564)	(57,615)
Notes							
1) A number of Councils have increased data collection requirements in the transition to the implementation of the RATA Data Collection Strategy.							
2) Revenue in advance funds released, \$94,492 into current year income and \$45,496 was refunded to Otorohanga, Waipa and Waikato District Councils.							
3) Waipa District Council provides RATA with full support services, including vehicles, staff training/development, IT/phones, stationery, accommodation, communications and Group Manager support.							

Waikato Regional Transport Model (WRTM)

Notes		Year to Date			Full Year		
		Actual YTD	Budget	Variance	Budget	Forecast	Last Year
Waikato Local Authority Shared Services							
Management Accounts for the Period Ended 31 December 2017							
Waikato Regional Transport Model (WRTM)							
Income							
		28,257	22,575	5,682	90,299	90,299	110,190
		2,775	6,000	(3,225)	12,000	12,000	3,348
		31,032	28,575	2,457	102,299	102,299	113,538
Expenses							
		9,000	9,000	0	18,000	18,000	18,000
		8,039	15,285	7,246	30,570	30,570	18,051
		1,363	2,548	1,185	5,095	5,095	4,494
		589	2,293	1,704	4,586	4,586	1,529
		0	5,000	5,000	10,000	10,000	98
		0	0	0	0	0	38,640
		3,101	12,500	9,399	25,000	25,000	0
		1,375	1,375	0	1,385	1,375	1,375
		3,832	3,832	0	7,663	7,663	27,534
		27,299	51,832	(24,534)	102,299	102,289	109,721
		3,734	(23,257)	26,991	0	10	3,816
Non-Cash Expenses							
	1	36,458	36,458	0	72,916	72,916	72,916
		(32,725)	(59,715)	26,991	(72,916)	(72,906)	(69,100)
		(32,725)	(59,715)	26,991	(72,916)	(72,906)	(69,100)
Cash Surplus							
		15,631	-	-	-	15,631	11,815
		0	-	-	-	0	0
		3,734	-	-	-	10	3,816
		19,365	-	-	-	15,641	15,631
Notes							
1) The WRTM asset will be fully depreciated by 30 June 2019. The model will be substantially reviewed during 2018/19 with new census data and a software platform review.							

Waikato Building Consent Group

Notes		Year to Date			Full Year		Last Year
		Actual YTD	Budget	Variance	Budget	Forecast	
Waikato Local Authority Shared Services							
Management Accounts for the Period Ended 31 December 2017							
Waikato Building Consent Group (WBCG)							
Income							
	1	134,453	138,053	(3,600)	276,105	268,906	265,456
	2	256,000	0	256,000	0	256,000	20,500
	3	47,199	0	47,199	40,000	47,199	50,906
		437,652	138,053	299,600	316,105	572,105	336,862
Expenses							
		57,765	110,300	52,535	220,600	180,600	179,926
		14,712	0	(14,712)	0	40,000	15,664
		6,713	10,195	3,482	20,389	20,389	15,664
		1,632	3,200	1,568	6,400	6,400	2,801
		473	327	(147)	653	653	0
		1,068	1,500	432	3,000	3,000	2,402
		29	200	171	400	400	175
	4	31,667	28,500	(3,167)	57,000	57,000	38,096
		3,832	3,832	0	7,663	7,663	0
		0	0	0	0	0	5,762
	2	0	0	0	0	256,000	20,500
		117,891	158,053	40,162	316,105	572,105	280,989
Earnings before interest, tax and depreciation/ amortisation (EBITA)		319,762	(20,000)	339,762	0	0	55,873
Earnings before interest and tax		319,762	(20,000)	339,762	0	0	55,873
Net Surplus (Deficit) before tax		319,762	(20,000)	339,762	0	0	55,873
Movement from revenue in advance		3 (47,199)	-	-	-	(47,199)	47,199
Cash Surplus							
Cash opening balance		55,873	-	-	-	55,873	0
plus/(less) transfers		0	-	-	-	0	0
Cash movement for year		319,762	-	-	-	0	55,873
Total Surplus / (Deficit)		375,634	-	-	-	55,873	103,072
Notes							
1) Participating councils are Hamilton City, Hauraki, Matamata Piako, Otorohanga, Thames Coromandel, Waikato, Waipa and Waitomo District councils.							
2) New budget, approved by the Board at the July meeting.							
3) Release of accumulated funds from revenue in advance. The accumulated fund relates to the original five councils (Hamilton, Matamata Piako, Otorohanga, Waikato and Waipa) and is used to offset their member charge.							
4) Waikato DC provides the Building Consent Group with support services, including accommodation, IT, HR and Group Manager support.							

Future Proof



Waikato Local Authority Shared Services
Management Accounts for the Period Ended 31 December 2017
Future Proof

	Notes	Actual YTD	Year to Date Budget	Variance	Full Year Budget	Forecast	Last Year
Income							
Member Charges	1	290,489	290,489	0	580,977	504,886	330,000
Capacity & Demand Assessment Project	2	30,865	0	30,865	0	30,865	50,640
Accumulated Fund		0	0	0	0	0	265,225
Total Income		321,354	290,489	30,865	580,977	535,751	645,865
Expenses							
Implementation Advice		44,235	55,000	10,765	110,000	110,000	160,372
Tangata Whenua Implementation Advice		0	7,500	7,500	15,000	15,000	7,505
Independent Chair		28,392	22,500	(5,892)	45,000	45,000	30,083
Tangata Whenua forum (NKAOTW)		11,531	7,500	(4,031)	15,000	20,000	23,589
Future Proof Co-Ordinator		30,000	32,500	2,500	65,000	60,000	60,000
Overheads	3	12,408	7,500	(4,908)	15,000	15,000	15,816
On charge of WLASS Admin Costs		10,488	10,489	1	20,977	20,977	0
<u>Future Proof Implementation Projects</u>							
Waikato DP Review		0	7,500	7,500	15,000	15,000	0
Hamilton DP Appeals & Changes		0	0	0	0	0	6,600
General Submissions		16,650	10,000	(6,650)	20,000	16,650	13,386
Cross-Boundary issues with Auckland Council		0	2,500	2,500	5,000	5,000	0
Data Monitoring		0	2,500	2,500	5,000	5,000	0
Strategy Actions - Implementation		0	10,000	10,000	20,000	20,000	0
Water Policy Group Projects		0	5,000	5,000	10,000	10,000	0
NIDEA and WISE refinements		0	0	0	0	0	86,108
Independent Assessment of Growth Projections		0	0	0	0	0	17,250
<u>Future Proof Strategy Update - Phase 1</u>							
Future Proof Strategy Update 1	4	34,318	12,500	(21,818)	25,000	34,318	85,474
Publishing		1,510	7,500	5,990	15,000	10,000	0
Consultation		29,776	22,500	(7,276)	45,000	45,000	0
Communications Advice for Strategy Update		0	0	0	0	0	15,596
Capacity & Demand Assessment Project	2	0	0	0	0	30,865	50,640
<u>Future Proof Strategy Update - Phase 2</u>							
Future Proof Strategy Update 2		10,375	25,000	14,625	50,000	50,000	0
NPS Assessments incl. Data Requirements		0	25,000	25,000	50,000	50,000	0
RPS and DP Changes to Implement NPS		0	7,500	7,500	15,000	15,000	0
Update Future Proof Website		0	10,000	10,000	20,000	0	0
Total Expenses		229,683	290,489	60,806	580,977	592,810	572,419
Earnings before interest, tax and depreciation/ amortisation (EBITA)		91,671	0	91,671	0	(57,059)	73,446
Earnings before interest and tax		91,671	0	91,671	0	(57,059)	73,446
Net Surplus (Deficit) before tax		91,671	0	91,671	0	(57,059)	73,446
Movement from revenue in advance	2	(30,865)	-	-	-	(30,865)	30,865
Cash Surplus							
Cash opening balance		58,411	-	-	-	58,411	0
plus /(less) transfers		0	-	-	-	0	0
Cash movement for year		91,671	-	-	-	(57,059)	58,411
Total Surplus / (Deficit)		150,082	-	-	-	1,352	89,276


Notes

- 1) Participating councils are Hamilton City, Waikato and Waipa Districts and Waikato Regional Council.
- 2) Revenue in advance for the Capacity & Demand Assessment Project. Funds received in 2016/17.
- 3) Hamilton City Council provides the support services for Future Proof, including accommodation and operational costs.
- 4) Project near completion; est. November 2017.

Waikato Mayoral Forum

Notes		Year to Date			Full Year		Last Year	Project to date
		Actual YTD	Budget	Variance	Budget	Forecast		
Income								
Waikato Plan	1,2	290,149	290,149	0	466,672	408,339	150,000	1,636,389
Policy & Bylaws		0	0	0	0	0	0	77,000
Regional Infrastructure Tech. Specs.		0	0	0	0	0	68,400	130,000
Section 17a Review		0	0	0	0	0	7,000	24,656
Administration Costs		5,000	5,000	0	5,000	5,000	7,000	24,385
Future Regional Strategic Collaboration		0	0	0	0	0	28,000	28,000
Strategic Collaboration	3	0	0	0	0	46,439	0	0
Revenue		295,149	295,149	0	471,672	459,778	260,400	1,920,430
Plus / (Less) Revenue in Advance		(188,798)	0	(188,798)	0	15,108	202,007	(271,496)
Total Income		106,351	295,149	(188,798)	471,672	474,886	462,407	1,648,933
Expenses								
Waikato Plan	1	105,406	233,336	127,930	466,672	408,339	346,489	1,442,645
Policy & Bylaws		0	0	0	0	0	0	37,068
Regional Infrastructure Tech. Specs.	4	0	0	0	0	0	83,997	109,066
Section 17a Review		0	0	0	0	0	3,126	20,782
Administration Costs		945	2,500	1,555	5,000	5,000	3,428	14,005
Future Regional Strategic Collaboration		0	0	0	0	0	25,367	25,367
Strategic Collaboration	3	0	0	0	0	0	0	0
Total Expenses		106,351	235,836	129,485	471,672	413,339	462,407	1,648,933
Earnings before interest, tax and depreciation/ amortisation (EBITA)		0	59,313	(59,313)	0	61,547	0	0
Earnings before interest and tax		0	59,313	(59,313)	0	61,547	0	0
Net Surplus (Deficit) before tax		0	59,313	(59,313)	0	61,547	0	0
Notes								
1) Hamilton City Council pays directly for Senior Technical Support (Value = \$58,334).								
2) Waikato Regional Council portion is being invoiced by instalments; \$50,000 initially, then as required.								
3) 2016/17 surplus transferred to new Strategic Collaboration project. Approved by the Board at the August 2017 meeting.								
4) RITS transferred to Procurement.								
		Revenue	Expenditure	Transfers				Available Funds
		24,385	14,005	0				10,380
		1,636,389	1,442,645	0				193,744
	3	77,000	37,068	(39,932)				-
	4	130,000	109,066	(20,934)				-
	3	24,656	20,782	(3,874)				-
	3	28,000	25,367	(2,633)				-
		0	0	46,439				46,439
		Revenue in Advance total						250,563

Balance Sheet

Waikato Local Authority Shared Services Balance Sheet As at 31 December 2017						
	Notes	Actual YTD	Year to Date Budget FY	Variance	Full Year Budget	Last Year
CAPITAL						
Shares - SVDS		1,607,001	1,607,001	0	1,607,001	1,607,001
Shares - WRTM		1,350,000	1,350,000	0	1,350,000	1,350,000
Profit and Loss		(2,121,722)	(2,367,172)	245,451	(2,367,172)	(2,273,720)
Plus Current Year Operating Surplus/(Deficit)		1,615,913	(209,502)	1,825,415	(209,502)	151,998
TOTAL CAPITAL FUNDS		2,451,193	380,327	2,070,867	380,327	835,280
ASSETS						
CURRENT ASSETS						
Prepayments		0	1,523	(1,523)	1,523	147,500
Accounts Receivable		614,625	36,119	578,506	36,119	469,262
Accounts Receivable Accruals		54,942	0	54,942	0	0
Accrued Interest		4,610	0	4,610	0	97
RWT On Interest		2,031	2,800	(769)	2,800	1,923
Local Authority Shared Services 00		240,916	0	240,916	0	266,651
Local Authority Shared Services On-Call		377,824	630,820	(252,996)	630,820	637,297
BNZ - Term Deposit 020	1	1,631,000	0	1,631,000	0	131,000
GST Holding		3,618	(54,465)	58,083	(54,465)	14,706
TOTAL CURRENT ASSETS		2,929,566	616,798	2,312,768	616,798	1,668,436
NON-CURRENT ASSETS						
SVDS - Intangible Asset		3,065,316	3,085,700	(20,384)	3,085,700	3,065,316
WRTM - Intangible Asset		2,296,855	2,296,855	0	2,296,855	2,296,855
MoneyWorks Software		1,195	1,195	0	1,195	1,195
Accumulated Depreciation		(5,117,943)	(5,205,604)	87,662	(5,205,604)	(5,036,158)
TOTAL NON-CURRENT ASSETS		245,424	178,146	67,278	178,146	327,208
NET ASSETS		3,174,990	794,944	2,380,046	794,944	1,995,644
LESS CURRENT LIABILITIES						
Accounts Payable		162,739	399,218	(236,480)	399,218	447,492
Accounts Payable Accrual		309,757	15,399	294,358	15,399	263,958
ACC Prepayments		0	0	0	0	0
RWT On Payments		739	0	739	0	1,606
Revenue in Advance	2	250,562	0	250,562	0	447,309
TOTAL CURRENT LIABILITIES		723,797	414,617	309,179	414,617	1,160,365
NET WORTH		2,451,193	380,327	2,070,867	380,327	835,280
Notes						
1) Available cash flow arranged as a term deposits, maturing when required for 20th payment schedules.						
2) Revenue in advance is not budgeted for as it results from revenue received not yet spent on expenses.						

Statement of Cashflows

Waikato Local Authority Shared Services
Statement of Cash Flows
As at 31 December 2017



	Actual YTD	Full Year Budget	Last YTD
Cashflows from Operating Activities			
Interest Received	5,674	10,000	6,215
Receipts from Other Revenue	3,366,557	4,077,839	4,425,595
Payments to Suppliers	(2,163,040)	(4,085,276)	(4,101,175)
Taxes Paid	(5,487)	(1,260)	2,509
Goods & Services tax (net)	11,089	6,679	19,131
Net cash from operating activities	1,214,793	7,982	352,274
Purchase of Intangible Assets	0	(10,384)	0
Net cash from investing activities	0	(10,384)	0
Net increase in cash, cash equivalents and bank accounts	1,214,793	(2,402)	352,274
Opening cash and cash equivalents and bank overdrafts	1,034,948	633,221	682,673
Closing cash, cash equivalents and bank accounts	2,249,741	630,820	1,034,948
Summary of Bank Accounts			
BNZ - Cheque a/c	240,916	0	266,651
BNZ - Call a/c	377,824	630,820	637,297
Term Deposit	1,631,000	0	131,000
Closing Balance of Bank	2,249,741	630,820	1,034,948

Appendix 2

The following policies have been adhered to in the completion of this financial report:

Changes to NZ Accounting Standards

WLASS transitioned to the new Public Sector Public Benefit Entities (PBE) accounting standards for the year ended 30 June 2015. WLASS is eligible to report in accordance with the Tier 2 PBE accounting standards.

Accounting Principles

Financial statements are prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with the New Zealand Generally Accepted Accounting Practice (GAAP), the Financial Reporting Act 1993 and NZ IFRS Standards.

Specific Accounting Principles

The following particular principles which have a significant effect on the measurement of financial position apply:

- Receivables are recorded at their face value, less any provisions for impairment.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.

Intangible Assets

Where intangible assets are purchased, such as intellectual property, these are capitalised and written off on a straight line basis over their expected life, but over no greater than seven years.

Depreciation is provided on a straight line basis on all assets other than land, and align with normal accepted depreciation for the types of services being developed.

Impairment Testing

Assets with a finite life are reviewed annually for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use.

Inventories

It is not envisaged that the company will hold inventories, other than those that might relate to providing electronic services to a number of parties. They are valued at net realisable value.

Taxation

Taxation is provided as required against the company in line with the required legislation.

Audit

In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the Office of the Auditor General is responsible for auditing the company's financial statements.

Dividend Payments

It is not envisaged that the Board will make any recommendation about dividend, as the shared services are on a cost recovery basis and any savings will be used to reduce service costs or to reinvest in new services or upgrades.

Consolidated Shareholders' Funds

In accordance with the Local Government Act 2002, the ratio of Consolidated Shareholders' Funds to Total Assets has been included within the Statement of Financial Position (Balance Sheet).

Consolidated Shareholders' Funds are defined as the sum of retained earnings, reserves and paid-up share capital.

Assets

Total Assets include Current and Non-Current Assets, as disclosed in the Statement of Financial Position (Balance Sheet). This includes, but is not limited to, Bank, Debtors and Operational Assets.

Document No: A388460

Report To: Council



Meeting Date: 27 March 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	Grounds for this resolution
1. Audit and Risk Committee – Recommendations to Council	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)(a)
2. Inframax Construction Ltd – Half Annual Report to 31 December 2017	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)(a)

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds for this resolution
3. Draft Statement of Intent for Year Ending 30 June 2019 – Inframax Construction Ltd	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)(a)
4. Waikato Local Authority Shared Services Ltd – Statement of Intent for 2018/19	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)(a)
5. Six Monthly Progress Report: Waikato Mayoral Forum Work Streams	7(2)(g) maintain legal professional privilege;	48(1)(a)
6. Briefing on UNESCO Geopark proposal and key considerations	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)(a)
7. Progress Report: Civil Defence Emergency Management Co-ordinating Executive Group Minutes	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)(a)
8. Progress Report: Waitomo Waters	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)(a)

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