

Document No: A423607

**Report To: Council**



Meeting Date: 26 March 2019

Subject: Deputation - Sport Waikato – Six Monthly Report (1 July to 31 December 2018)

Type: Information Only

### Purpose of Report

- 1.1 The purpose of this business paper is to advise Council that Michelle Hollands, General Manager Regional Leadership Sport Waikato and Dede Downs, Sport Waikato Coordinator will be in attendance at 9.00am to present the Sport Waikato Six Monthly Report (1 July to 31 December 2018).
- 1.2 Attached to and forming part of this business paper is the Sport Waikato Six Monthly Report (1 July to 31 December 2018).

### Suggested Resolutions

The Deputation from Sport Waikato – Six Monthly Report (1 July to 31 December 2018) be received.

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

HELEN BEEVER  
**GROUP MANAGER – COMMUNITY SERVICES**

March 2019

Attachment: Sport Waikato Six Monthly (A423608)

# MOVING WAIKATO 2025

A STRATEGY TO GROW PARTICIPATION IN SPORT, RECREATION AND PHYSICAL ACTIVITY

Moving Waikato 2025 is an evidenced based strategy that seeks to build on the positive momentum of existing loyal partnerships and to increase the provision of opportunities for both participation and sporting success for the people of the region.

**ONE VISION**  
 A HEALTHY, VIBRANT, PHYSICALLY ACTIVE & SUCCESSFUL SPORTING REGION



**OUR PEOPLE**

A focus on the provision of opportunities that meet the needs of the people of our region - more adults and more children out there and active

- Women and Girls
- Young People
- Maori
- Rural Communities
- Older People



**BUILDING COMMUNITIES**

A focus on quality local delivery of sport, recreation and physical activity experiences – helping communities to help themselves

- Local Sport
- Education
- Recreation & Physical Activity
- Maaori Settings



**REGIONAL LEADERSHIP**

A focus on regional and national partners working together to lead change and enhance outcomes – leading and delivering change

- Insights
- Facilities
- Urban Growth
- Home of High Performance

**ACHIEVING SUCCESS THROUGH WORKING TOGETHER**



## Sport Waikato Council Report - 1<sup>st</sup> July – 31st December 2018

Prepared for: Waitomo District Council by: Dede Downs

Waitomo District Coordinator

Outcome - Participation	Creating accessible and affordable opportunities and increasing participation in recreation and sport
KPI	Evidence/ measurement
<p><b>PROJECT ENERGIZE</b></p>  <p><i>Work with primary school sport clusters to increase opportunities &amp; participation</i></p>	<p>Team Energize work to support primary schools with various sporting and health opportunities. The 13 Project Energize schools in the Waitomo district have been focusing on a variety of nutritional options and physical activity events.</p> <p>Energizers - Vicki Coll services 10 Waitomo district schools, Gina Scott services the 3 Waitomo district 'Coast' schools – Kinohaku, Piripiri, Kura o Taharoa</p> <p>76 deliveries consisting of - Physical Activity and Nutrition deliveries, Planning meetings with staff.</p> <p><b>District school-led sports events</b></p> <ul style="list-style-type: none"> <li>• Waitomo Cluster Athletics Day</li> <li>• individual Schools Athletics Days</li> <li>• School leaders activity day</li> </ul>
<p><b>SECONDARY SCHOOLS</b></p>  <p><i>Increase awareness, opportunities &amp; participation</i></p>	<p><b>Building relationships with secondary schools -</b></p> <ul style="list-style-type: none"> <li>• Attendance at the Waitomo District Sports Awards – DC Worked with Te Kuiti High School and Piopio College Sport co-ordinators to ensure sports awards nominations were submitted and students/faculty were in attendance. Also provided research for the award presented to Te Kuiti High School retiring principal Bruce Stephens.</li> <li>• Worked with the Sport Waikato Secondary School's Co-ordinator to promote and support the delivery of regional King Country secondary school sports events across the North King Country –</li> <li>• The inaugural Te Nehenenui Ki O Rahi tournament</li> <li>• King Country Secondary Schools Quad tournament</li> <li>• Cross Country Championships</li> <li>• Touch championships.</li> <li>• Schools involved – Te Awamutu College, Otorohanga College, Te Kuiti High School, Piopio College, Taumarunui High School.</li> <li>• Attended the 3<sup>rd</sup> and 4<sup>th</sup> term Sport Co-ordinator meetings, hosted by Te Kuiti High School.</li> </ul> <p><b>Secondary School Student Leadership Programme –</b></p> <p>Nicky Blake, KiwiSport funded leadership Programme Officer – Waikato Institute of Leisure &amp; Sport Studies (WILSS)</p> <ul style="list-style-type: none"> <li>• <b>This is ME</b> – This quarter has seen the continued delivery and successful completion of the This is ME (TIM) Secondary Schools Programme in Te Kuiti High School. Over the past few months, the eleven TIM student Leaders have worked tirelessly to co-design and co-deliver, with the support of the local Sport Waikato Team (District co-ordinator, Kaiwhakahaere O Maniapoto Rozel Coffin and Amy Marfell - This is ME Initiative Lead) and Nicki Blake (Waikato Institute of Leisure and Sport Studies), physical activity sessions</li> </ul>

	<p>aimed at getting their female peers moving. Sessions have included a Quick Rip Rugby have-a-go opportunity, delivered by NZ Rugby as well as Zumba and Self Defence classes. These tasters have provided the platform for young women to try something new with their friends in a supportive and inclusive environment and were well received by both the school and students with over 100 young women participating. The programme culminated with a student-delivered H2Go (Water) Festival entirely designed and delivered by the TIM Leaders. The event incorporated a range of movement elements, from a slip n slide and sponge throwing to Zorb Soccer. Over 90 students took part in the celebration of movement, teamwork, togetherness and fun. The Te Kuiti High School TIM Leadership group were also awarded the ‘Innovation in Sport and Recreation’ award at the Lines Company Waitomo District Sports Awards ceremony. The group have also been named as finalists in the prestigious Brian Perry Regional Awards to be held in Hamilton, 1<sup>st</sup> February 2019.</p> <ul style="list-style-type: none"> <li>• In 2019, TIM will again be delivered in TKHS taking a student leadership approach and further imbedding co-design and Voice of the Participant principles to growing female participation in sport and active recreation. Piopio College are now working with the local team and will adopt the programme as part of its desire to grow student leadership amongst female students.</li> </ul>
<p align="center"><b>WAITOMO EVENTS</b> District Co-ordinator</p>  <p align="center"><i>Involvement in or working with providers to increase participation in local events</i></p>	<p><b>Local events supported by Sport Waikato District Co-ordinator -</b></p> <ul style="list-style-type: none"> <li>• Promotion of and assistance with locally led holiday programmes – partnered with Waitomo District Library to present the very popular ‘Scavenger Hunt’ around Te Kuiti township.</li> <li>• Led/co-led sport-focused holiday programmes in July and October – Volleyball, Football, Gymnastics, Karate/Kyokushin, Piopio Badminton/Table tennis.</li> <li>• Piopio College Matariki Day of Celebration</li> <li>• Kaumatua Games</li> <li>• Legendary Te Kuiti Breakfast</li> <li>• Attended and supported the Legendary Te Kuiti AGM and the Lines Company ‘Warm Homes’ community presentation.</li> </ul>
<p align="center"><b>WAITOMO</b> District Co-ordinator</p>  <p align="center"><i>Community-led recreation projects, groups and classes</i></p>	<p>Supported and promoted the wonderful opportunities of community-led, free or low-cost classes and groups –</p> <p><b>District Co-ordinator supported the following programmes –</b> with regular visits, updates, new ideas, promotion, referrals, provision of resources and occasionally leading classes with a variety of activities.</p> <ul style="list-style-type: none"> <li>• Sit &amp; Be Fit Te Kuiti - Averaging 15-20 per weekly session. Primarily seniors with mobility problems but also including a near-blind lady and younger stroke sufferers. This means that the class and leader are more accessible and inclusive of people of varying abilities. – Assisted the leader to incorporate the new ‘Strong and Stable’ exercises.</li> <li>• Silverados Exercise to Music, Piopio – Averaging 7-9 per weekly session - Incorporating the new ‘Strong and Stable’ components</li> <li>• Aquacise, Te Kuiti/Waitomo District Aquatic Centre - approx 4 per session (or individuals making use of the Sport Waikato activity sheets). Promoted local Aquatic centre opening day and ongoing activities.</li> <li>• Maniapoto Marae Pact Trust Lifestyle activities – Gentle exercise to music, Tai Chi, Line dancing – Averaging 45 to 55 weekly participants.</li> <li>• Waitomo Walkers – Averaging 12 walkers with a number of new males joining in 2019.</li> <li>• Attended the DHB Health forum, shared success of ‘Strong &amp; Stable’ workshop and ongoing implementation of the programme.</li> </ul> <p><b>New classes being promoted:</b></p>

	<ul style="list-style-type: none"> <li>• Piopio Gymnastics for beginners with Carolyn Webster.</li> <li>• Yoga, Piopio, with Ainslee Speedy; Yoga in Te Kuiti with Renee Pari; Pilates in Te Kuiti with Rochelle Wolland; Boot Camps for Beginners, Piopio.</li> </ul> <p><b>This is ME Community activations have also been delivered</b>, including the Pink Day Out (incorporating the annual Pink Walk for Breast Cancer, held in partnership with Legendary Te Kuiti/NZ Cancer Society)        A three-week free activity timetable supported by local community providers – Have-A-Go classes, Yoga, Pilates and Kyokushin/Self Defence, Indoor Bowls - and the first Women and Girls Mountain Bike Day held at Brook Part and supported by Cycling NZ. Over 100 women and girls took part in these community events, with feedback indicating their success in connecting females with movement opportunities.</p> <ul style="list-style-type: none"> <li>• Dio Hockey coaching session – Promoted and supported to junior players.</li> <li>• Te Rourouiti Matariki 3-on-3 Basketball fundraiser – Provided planning guidance, promotion and equipment.</li> <li>• Piopio College Badminton fundraising competition – Promotion and referrals</li> <li>• Piopio College social Volleyball competition – Promotion, equipment and hands-on refereeing/scoring duties.</li> </ul>
<p><b>Outcome – Quality of life:</b></p>	<p><b>Increasing physical activity and improving nutrition for health, fun and as a lifelong habit</b></p>
<p align="center"><b>KPI</b></p>	<p><b>Evidence/Measurement</b></p>
<p align="center"><b>UNDER 5 ENERGIZE</b></p>  <p><i>Deliver parent education sessions related to foundation and fundamental skills</i>  <i>Raise awareness of the importance of fundamental skills through distribution of KiwiBaby, KiwiToddler and KiwiPreschooler manuals.</i></p>	<p>The Sport Waikato Under Fives Fundamental skills advisor works with community organisations in the Waitomo district to help improve the physical development of children under the age of 5 years.</p> <p><b>Workshops</b></p> <ul style="list-style-type: none"> <li>• Two Toddler Movement workshops were held in Te Kuiti with 2 educators, 5 parents and 3 children.</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>• 2 x Under 5 E-Newsletter email</li> </ul> <p><b>Ebooks downloaded</b></p> <p>Kiwi Manuals are a series of e-book for Waikato/NKC parents, providing information and activity ideas to encourage physical activity from birth. A total of 2 KiwiBaby, and 1 KiwiToddler manuals were downloaded.</p>
<p align="center"><b>ACTIVE &amp; WELL</b></p>  <p><i>Supporting deliveries in the district</i></p>	<p>The Active &amp; Well team at Sport Waikato provide multiple free healthy lifestyles programmes for individuals and families. Doctors and nurses are able to refer to the programme or people who want to make positive lifestyle changes can self-refer. The service provides one -to-one support with advice on physical activity and healthy eating ideas, plus suggestions for low-cost community exercise options in the Waitomo district.</p>
<p align="center"><b>ACTIVE &amp; WELL</b></p>  <p><i>Support Green Prescription community-led programmes</i></p>	<p><b>GREEN PRESCRIPTION PROGRAMME: Waitomo District</b></p> <p>Total Clients = 21....a large percentage referred by DC from office visits.</p> <p>Gender:</p> <ul style="list-style-type: none"> <li>• Female = 13</li> <li>• Male = 8</li> </ul> <p>Ethnicity:</p> <ul style="list-style-type: none"> <li>• Maaori = 14</li> <li>• NZ European = 7</li> </ul> <p>Age Band:</p> <ul style="list-style-type: none"> <li>• GRx Teens = 3</li> <li>• 18-29yrs = 2</li> </ul>

- 30-49yrs = 6
- 50-64yrs = 8
- 65+ = 3

**ACTIVE FAMILIES PROGRAMME:**

New Families Referred = 1

Families continuing being serviced from the last quarter = 0

**ACTIVE FAMILY, HEALTHY KIDS - WHAANAU KORI, TAMARIKI ORA**

New Families Referred = 6

**Success Stories -**

Client C, Female, 42yrs, Maaori. C has Osteoarthritis, was overweight and fairly immobile when she first started on the programme.

She was encouraged to walk daily in small bursts, has managed to build up from initially under 5 minutes and now up to 10-15 minutes without stopping. She has cut back on takeaways from most days to twice weekly, now drinks water and is conscious of choices she is making in the supermarket. She is feeling 'waaay better' and her pain has reduced significantly.

Client R, Male, 9yrs, Indian. Impressed with this young man's change of behaviour in just six weeks on the programme. He's gone from helping himself to hot chips and sugary slushy drinks in the dairy daily to water only. He's now enrolled to play cricket and while he was a little late registering, he's training and learning the skills to join. This child has gone from no exercise at all to walking most days for at least 30 minutes. He's not only reduced sugary snacks for his own health but also to reduce environmental waste. This boy has reduced his BMI already from 26.6 to 25.8. We can't wait to see what he will do next.

Whanau of Client A, Male, 11yrs, Maaori - One month in to the programme this family have reduced sugary drinks and increased water intake. They've also reduced their takeaways from three to four times a week to around twice a week. Dad has taken up playing badminton twice a week and the three of them also go to the local school and play tennis or basketball at least once a week. The eleven and twelve year old sons are going to their Grandmother in Australia for the holidays and are doing a challenge with dad to see who can maintain and/or improve their fitness and wellbeing most over the break. Dad intends to spend his 'me' time getting back to his local gym.

**Highlights**

Te Kuiti Warehouse- 12 Week Challenge completed during this quarter - 7 participants

<b>A&amp;W COMMUNITY DELIVERIES:</b>		
<b>Delivery Type</b>	<b>Number of</b>	<b>Numbers Attending</b>
Workshops	3	19
Presentations	1	29
Classes	0	0
Events – Hui a Iwi	1	1500

**WAITOMO**  
**District Co-ordinator and**  
**ACTIVE & WELL**



Hillview Hospital – DC introduced Active & Well coordinator Watene Hema to the new Hillview Diversional Therapist.  
 DC made 3 visits to introduce a variety of simple equipment, exercises and activities to charge up their daily sessions.  
 Provided equipment on long-term loan for the benefit of resident's daily activities.

<p><b>Support community-led programmes</b></p>	
<p><b>HE ORANGA POUTAMA (H.O.P)</b></p>  <hr/> <p><b>PROJECT ENERGIZE PROGRAMME</b></p>  <p><i>Work with primary school sport clusters to increase nutrition awareness</i></p>	<p>He Oranga Poutama is a holistic approached programme designed to facilitate, deliver, support sport and traditional physical recreation to Te Ao Maori (Maori world). H.O.P is designed to deliver, with cultural intent, value and significance to Maori spaces – (Kura, Marae, Kohanga Reo, hui a Iwi and spaces that are significant to Maori.</p> <p>Rozel Coffin, He Oranga Poutama Kaiwhahaere o Maniapoto manages this programme which is funded by Sport New Zealand and covers the areas populated by Maniapoto Iwi – Taumarunui, Waitomo District, Otorohanga district and Partially Waipa district.</p> <p>Kaiwhakahaere Rozel -</p> <ul style="list-style-type: none"> <li>• Organised the Manaipoto teams to compete in Tainui Games event</li> <li>• Waka Ama – Provided support, guidance and coaching to TKHS and Kura o Maniapoto coaches and teams.</li> <li>• Te Nehenehenui Ki O Rahi -co-ordinator and leader of King Country secondary Schools tournament.</li> <li>• Hui A Iwi – Bi-annual Maniapoto hui a Iwi (Festival) – Co-ordinator of all sport competitions involving approx. 2000 Maniapoto Iwi</li> </ul> <hr/> <p><b>NUTRITION DELIVERIES:</b></p> <ul style="list-style-type: none"> <li>• Sugary drinks - Delivery across Waitomo primary schools</li> <li>• Weekly nutrition ‘Nuggets’ in all primary school newsletters</li> </ul>
<p><b>Outcome – Community Development:</b></p>	<p><b>Developing capability to ensure effective delivery of physical activity, recreation and sport</b></p>
<p><b>KPI</b></p>	<p><b>Evidence/Measurement</b></p>
<p><b>PROJECT ENERGIZE</b></p>  <p><i>Provide ongoing training to teachers/coaches in understanding fundamental skills</i></p>	<p>Term 4 had Waitomo’s Energizers working closely with schools to increase teachers’ knowledge/confidence and capability in their delivery of the Health &amp; PE programme</p> <p><b>TEACHER PROFESSIONAL DEVELOPMENT – AFTER SCHOOL WORKSHOPS:</b> Free workshops offered across the cluster, designed for teachers to gain knowledge and resources through practical demonstration.</p> <p><b>PROFESSIONAL DEVELOPMENT – IN SCHOOL MODELLING:</b> Sessions are designed to provide teachers with ideas and activities based on a particular topic, utilising the students to demonstrate:</p> <ul style="list-style-type: none"> <li>• <b>Athletics - Run, Jump and Throw</b></li> <li>• Waitomo rewards day (Road patrollers) – student leaders from WILSS</li> </ul> <p><b>HOME PLAY CHALLENGE:</b> The home play challenge looks to promote children to get out and active at home with their friends and whanau. It includes healthy recipes and challenges to try at home.</p> <p><b>Te Kuiti Athletics Club</b> – A number of new local parents have come on board this season this season to grow the struggling club. The Energizer assisted the organisers on their opening night with activities and equipment. With the modelling of RJT in the schools the numbers were pleasing. Children have now been attending other district/club athletic days and the Colgate Games. Support will continue to be given by Energize should the need arise.</p>

	<p><b>Success story -</b>  <b>Kinohaku school- Gymnastics</b> – Two gymnastic sessions were delivered with resources and teaching ideas to two classes, something that the school had not focused on for a very long time. Initially there were students who would not even attempt a forward roll due to lack of confidence. The school’s focus was on building confidence in an unpressured environment as well as body control. They continued practising for the entire term 3 and at the Energizer’s last visit, all students could complete the rotation of activities with confidence and control. A super effort by all, teachers and students.</p>
<p><b>WAITOMO</b>  <b>District Co-ordinator</b>  <b>SECONDARY SCHOOLS</b></p> <p><i>Provide opportunities for KS secondary school leadership through community sport &amp; events</i></p>	<p><b>Partnering with Waikato Institute of Leisure and Sport Studies: KiwiSport</b> Leadership programme opportunities for secondary aged students - Sport Waikato supported events offered for students to build their volunteer hours up.</p> <p><b>TOUCH RUGBY</b> - promotion of primary school touch module at Te Kuiti High School during term four</p> <ul style="list-style-type: none"> <li>• Te Kuiti High school students given leadership opportunities to umpire games and assist teams</li> <li>• Module ran every Monday evening Term 4</li> </ul> <p><b>This is ME Programme – See Secondary schools</b></p>
<p><b>WAITOMO</b>  <b>District Co-ordinator</b></p>  <p><i>Provide development or training for officials, administrators, coaches and clubs. Work with agencies to improve provision for sport</i></p>	<p>Quarterly E-newsletter out to district contacts, this enables us to put in links, measure the hits and click through the information. This in turn allows us to update relevant and relatable information, also encouraging clubs to update the event calendar and check their listings.</p> <p>Sport Capability update –</p> <ul style="list-style-type: none"> <li>• Delivery of Club Development workshops planned for the district throughout 2019</li> </ul> <p>Waitomo/Te Kuiti office open-door policy - Provision of immediate Club Development/Coaching/Administration advice and guidance.</p>
<p><b>WAITOMO</b>  <b>District Co-ordinator</b></p>  <p><i>Local community projects to improve the delivery of local sport</i></p>	<p><b>Partnerships/Coalitions</b></p> <ul style="list-style-type: none"> <li>• CLUB CHAMPS - Waitomo District Council, NZ Police, Population Health, Sport Waikato – Planning and organising the twice-yearly CLUB CHAMPS Training evening. Planning for first workshop scheduled for Feb 2019.</li> <li>• Kaumatua Games Coalition – Maniapoto Marae Pact Trust, Te Kuiti Community House Trust, Sport Waikato.        2018 event held at the Les Munro Centre, 2<sup>nd</sup> November – 14 teams from around the Waikato /King Country region, including Thames, Taumarunui, Hamilton (approx. 120 participants). Fantastic feedback from all teams and supporters.</li> </ul> <p><b>Regional and District Insights</b></p> <p>Sport Waikato are currently finalising regional and district level insights that reflect the participation preferences and profile of the Waitomo and neighbouring districts. Places and Spaces -</p> <ul style="list-style-type: none"> <li>• Regional Sports Facilities Plan: Consultation was held during August and September. The final plan was circulated and presented to the Mayoral Forum in December 2018 for approval. Version 2 of the Waikato Regional Sports Facilities Plan is now complete.</li> </ul>

	<ul style="list-style-type: none"> <li>• Technical Managers Forum delivered Dec 2018 - WRSFP Update, National and Regional Aquatic Update, Regional Round Up and Sport New Zealand HUB Update. 2019 Forum dates in April and September to be confirmed</li> <li>• Discussions initiated with Waipa DC, Waikato DC and Hamilton City Council around an investigation into Sports Field provision</li> <li>• Construction of the multi-purpose Te Kuiti High School/Community Indoor stadium is reported as likely to start in 2019. This Regional Facilities project is being managed by the 'Game-On Project' team of which Sport Waikato's Leanne Stewart is a key member.</li> </ul> <p><b><u>Nutrition Policy</u></b>          Influencing change in the community and sporting bodies with education and knowledge around sugar sweetened beverages and choosing healthier food &amp; beverage options.....as opportunities present themselves. ie – Senior's group activities, Kaumatua Games organising committee, This is ME community activities, Sports Awards caterer and beverage providers, sports clubs.</p> <ul style="list-style-type: none"> <li>• Presenting the Introduction document provided background to our SW Nutrition policy.</li> <li>• Partnered approach to nutrition friendly facilities and events</li> <li>• Improved provision of club and school fundraising food options</li> </ul> <p>Looking at developing a partnership with Waitomo District Council around the Nutrition Policy in the New Year</p> <p><b>GYMSPORT</b> – DC and community coach continued weekly sessions to end of term 3. Co-ordinated the Te Kuiti Gymsport Club final session and prizegiving.</p> <p><b>JUNIOR FOOTBALL</b> – DC co-organised Closing Day activities, prizegiving and managed media coverage.</p> <p><b>CROQUET</b> – DC provided promotion, media support and referral to Turf management professional.</p> <p><b>TABLE TENNIS</b> – DC held a Have-a-Go night, attracting 26 people who enjoyed the advice of the Waikato/NZ Development Officer and local community coach. Weekly club nights were held until mid-October. A one-off was held in mid-December and plans are afoot to re-start in the winter months of 2019.</p> <p><b>MINIBALL – 75</b> primary school teams competed in Te Kuiti, travelling from right across the Waitomo district including Taharoa, Benneydale, Aria as well as across Otorohanga district – Terms 3 and 4.</p> <p><b>JUNIOR CRICKET</b> - DC worked alongside Waikato Valley Cricket and Waitomo District Junior Cricket club. Hosted and assisted with AGM and follow-up promotion leading to Open day and start of weekly club nights.</p> <p><b>ATHLETICS</b> – DC co-organised and hosted the AGM and followed up with promotion of club nights, funding information, stocktaking of equipment and sourcing local NZ level secondary school athletes for role-model visits and demos.</p> <p><b>HUI A IWI/ MANIAPOTO FESTIVAL</b> – Coordinated the golf tournament venue, competition details and recruited facilitators.</p> <p><b>GOLF</b> – Played a vital role in organising the 85<sup>th</sup> Celebration of the Waitomo Golf Club.</p>
<p><b>Outcome – Information and promotion:</b></p>	<p><b>Improve coordination and promotion of information of all physical activity recreation and sport opportunities in the district</b></p>
<p><b>KPI</b></p>	<p><b>Evidence/Measurement</b></p>
<p><b>WAITOMO District Co-ordinator</b></p> 	<ul style="list-style-type: none"> <li>• Linking with Waitomo News – Monthly column and regular submissions of event/competition reports, articles and photographs for publication.</li> <li>• Waitomo News 'Summer Sport' editorial</li> <li>• Attendance and input at DHB Heath Forums</li> <li>• Quarterly E-newsletters</li> <li>• Sport Waikato Facebook page</li> </ul>

<p><b>Providing community with information on events, development and funding opportunities.</b></p>	<ul style="list-style-type: none"> <li>• Sport Waikato website – Events and Be Active for community clubs, groups and classes kept up to date.</li> <li>• Weekly live Radio sport and recreation show - Radio Maniapoto MFM – Contributes to the show which is managed by Rozel Coffin.</li> <li>• Shop/business window displays – Display flyers</li> <li>• Promotion of sports club open days, and seasonal codes</li> <li>• Promotion of community-led events</li> <li>• Promotion of workshops</li> <li>• Co-ordinates Trust Waikato Funding Advisor visits to clubs and community organisations prior to close of funding rounds.</li> <li>• Promotion of community-led classes and groups</li> <li>• Central Business area office – Open-door policy</li> </ul>
<p><b>Outcome – Creating pride in community:</b></p>	<ul style="list-style-type: none"> <li>• <b>Through supporting, encouraging and valuing volunteers</b></li> </ul>
<p><b>KPI</b></p>	<ul style="list-style-type: none"> <li>• <b>Evidence/Measurement</b></li> </ul>
<p><b>RECOGNITION OF VOLUNTEERS</b></p> 	<ul style="list-style-type: none"> <li>• Senior volunteer leaders thank you morning tea.</li> <li>• District Sports Awards – Service to Sport - 8 worthy long term volunteers acknowledged</li> <li>• North King Country Junior Football coaches thanked and acknowledged and presented with a token at /closing day prizegiving.</li> </ul>
<p><b>THE LINES COMPANY WAITOMO DISTRICT SPORTS AWARDS</b></p> 	<p>A very successful Sports Awards campaign for Waitomo and a major focus for DC workload.</p> <ul style="list-style-type: none"> <li>• Celebrating 24 years of community district awards in Waitomo district – The 20<sup>th</sup> awards ceremony managed by current DC.</li> <li>• Les Munro Centre Te Kuiti, Monday 26<sup>th</sup> November 2018</li> <li>• 325 guests (incl nominees)</li> <li>• Eric Murray Master of Ceremonies</li> <li>• David Nyika (Commonwealth Games gold medallist) - Guest speaker.</li> <li>• Natalie Harrison (local Drama coach) – Voice-over</li> <li>• Naming rights sponsor - The Lines Company</li> <li>• Local category sponsors – Active Plus Te Kuiti; Panorama Motor Inn; Maniapoto MFM; Te Kuiti Rotary Club; Maniapoto Maori Trust board; Waitomo News; Te Kuiti Lions Club</li> </ul> <p><b>Nominee category numbers: 55 nominations</b> – Administrator 7; Club 3; Coach 8; Innovation 3; Secondary School sportsperson 8; Official 5    Secondary school contribution 3; Service to sport 8; Sportsperson 4; Team 6; Emerging Talent 3.</p>
<p><b>Outcome – Participation and equity:</b></p>	<ul style="list-style-type: none"> <li>• <b>Reducing barriers and increasing participation in recreation and sport</b></li> </ul>
<p><b>KPI</b></p>	<ul style="list-style-type: none"> <li>• <b>Evidence/Measurement</b></li> </ul>
<p><b>KIWISPORT FUNDING PROJECTS</b></p>  <p><b>Coordinate local KiwiSport initiatives for primary and secondary aged children</b></p>	<p><b>COMMUNITY PARTNERSHIP FUND (CPF):</b> The CPF enables a more targeted approach to the development of youth sport in each community. Regional SOs/National SOs, clubs, school clusters and community organisations are eligible to apply to the Community Partnership Fund. Sport NZ has approved a further 12 months of KiwiSport funding allowing Sport Waikato to allocate funding through its Community Partnership Fund for the 2017-2018 year.</p> <p><b>KICK START FUNDING:</b> The Kick Start Fund is exactly that, a fund that will help to Kick Start new sporting opportunity for school age students. Funding will be allocated on a range of projects to ensure region wide coverage. Four funding rounds per year (maximum 12 month period for each project) The maximum allocation to be \$5,000 per project.</p>

	<ul style="list-style-type: none"><li>• Partnering with KiwiSport funded officers enables the successful delivery of quality programmes so children can experience different sports and develop their skills. Increasing participation in sport at club or school level. The District co-ordinator continually promotes the above opportunities to clubs and schools.</li></ul>
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Document No: A423944

**Report To: Council**



Meeting Date: 26 March 2019

Subject: Deputation – Waitomo Caves Discovery Centre: Reporting against Service Level Agreement

### Purpose of Report

- 1.1 The purpose of this business paper is to advise that Dr Bridget Mosley, Director, Waitomo Caves Discovery Centre will be in attendance at 9.10am to present and speak to the Waitomo Caves Discovery Centre's Six Monthly Report as per the Service Level Agreement.
- 1.2 Attached to and forming part of this business paper is a copy of the Waitomo Caves Discovery Centre Six Monthly Report.

### Suggested Resolution

The Deputation from Waitomo Caves Discovery Centre: Reporting against Service Level Agreement be received.

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

HELEN BEEVER  
**GROUP MANAGER – COMMUNITY SERVICES**

March 2019

Attachment: 1. Six Monthly Report

## Provision of Services Grant Agreement

### Waitomo District Council and Waitomo Caves Museum Society Incorporated

#### 2018 – 2021 grant

Interim 6-monthly report for March 2019

Under the terms of our Provision of Services Grant Agreement, the Waitomo Caves Museum Society is required to provide a written report twice a year to the Waitomo District Council, focusing on the key performance indicators identified in the agreement and the associated outcomes.

This report is for the period from September 2018 – March 2019 and has been submitted by the recently appointed Director, Dr Bridget Mosley.

KPI	Activities
To provide counter/phone enquiry and booking Activities for visitors to the Waitomo Village	<ol style="list-style-type: none"> <li>1. Enquiry and booking Activities will be available for a minimum 8 hours each day, 364 days of the year.</li> <li>2. Visitors will be provided accurate and objective information on Activities in a timely manner.</li> <li>3. Staff will be courteous and professional when dealing with all enquiries.</li> <li>4. Customer satisfaction ratings on Trip Advisor will reflect an average score of 4 or greater.</li> </ol>

- The Waitomo Caves i-SITE & Visitor Information Centre and the Museum of Caves have been open every day except Christmas Day for at least 8 hours since the commencement date of the agreement on 1 July 2018. Our opening hours vary in peak and off-peak seasons:

21 October 2017 – 24 December 2018: 8.45am – 5.30pm daily

25 December 2018: CLOSED

26 December 2018 – 24 February 2019: 8:30am – 6:00pm daily

25 February 2019 – 30 April 2019: 8:30am – 5.30pm daily

- Our frontline staff consistently provide accurate and objective information on local activities in a courteous and professional manner, and regularly provide a service above my expectations. An online review demonstrates one example of this service:



John Ysc G



Reviewed 26 November 2018 via mobile

#### Saving my posterior

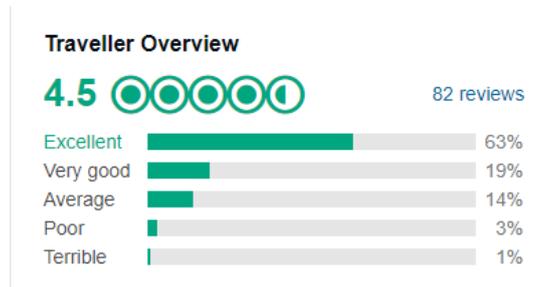
Waitomo Glow Worm Caves messed up my delivery (20% my fault for reasons, but mainly they were 20 minutes late), but the I-center saved me, getting me on a tour bus for just 20 NZD. :)

Thaaaaaank youuuuuu! Otherwise I would've had to hitchhike to make my schedule tomorrow and that's (while kinda fun), a bit of a crapshoot...

[Show less](#)

**Date of experience:** November 2018

- Customer satisfaction ratings on Trip Advisor are currently at a 4.5 average, with **82%** of travellers who write a review rating us as “**Excellent**” or “**Very good**”.



- Below are two of the multiple five-star reviews received in this reporting period.



**djswanderlust**  
Mariposa, California

5

Reviewed 12 November 2018

### Great spot for info

Knowledgeable staff, good product selection. Great first stop before you see the glow worm caves. Recommended!

**Date of experience:** November 2018

Thank djswanderlust

Museum\_of\_Caves, Director at Waitomo I-SITE Visitor Information Centre, responded to this review

Responded 16 November 2018

Thank you - we're proud of our front-line staff and think they do a great job so pleased to see you agree.



**laurenkV1055YJ**  
Orlando, Florida

54

Reviewed 11 December 2018

### Excellent museum

I arrived early for my Foot whistle Glowworm Cave experience and took advantage of the museum at I-SITE. It really was an incredibly well done museum with a ton of information for a small space. I learned all about the geography, landscape, and glowworms. It truly enhanced my experience in the cave, fully understanding what it was I was seeing. Highly recommend it!!

[Show less](#)

**Date of experience:** December 2018

KPI	Activities
To develop and promote the existing museum	<ol style="list-style-type: none"> <li>Providing and displaying significant cave related materials;</li> <li>Maintaining the collection of cave and local history items;</li> <li>Maintaining the library of cave related documents including the collection belonging to NZ Speleological Society.</li> </ol>
To archive, document and store items of heritage value	<ol style="list-style-type: none"> <li>Collected items and information will be appropriately acquired, curated and documented in accordance with Museums Aotearoa standards.</li> </ol>

- The museum displays include significant cave-related material and the collection of cave and local history-related items is actively maintained.

- The library of cave-related documents, including the collection belonging to the NZ Speleological Society, is actively maintained.
- An inventory of the contents of the library is currently in progress, intending to be the initial step in an initiative to put the library holdings online to encourage greater use.
- At the same time, documentation is being checked and, where necessary, updated in accordance with Museums Aotearoa standards.

KPI	Activities
To provide the Ministry of Education Learning Experiences Outside The Classroom programme	1. Provide education sessions and/or information, as contracted with the Ministry of Education to improve the knowledge of the area and cultural significance. The target student number is a minimum of 5,000 students per year.

- The Museum of Caves reports on the Learning Experiences Outside the Classroom programme on a six-monthly basis and the most recent annual report from December 2018 was accepted by the New Zealand Council for Educational Research.
- From July to December 2018, 2447 children attended our programmes, to give 98% of target. This is comparable with other years, with a slightly larger number typically attending from January to June (2671 from January – June 2018 for an annual total in 2018 of 5118 children).
- 84% of the programmes were evaluated and some responses are included below, which demonstrate good learning outcomes for the children.
- 100% of teachers providing evaluation responses reported “**Very good**” or better, with **81%** of teachers rating the programme “**Excellent**”.

#### **Selected evaluation responses from December 2018**

This trip was conducted at the end of the year so we did our learning pre-trip. But the kids wrote the best pieces of writing that they have written all year, after the camp!

This camp had far reaching value back at school. The activities which required challenge, co-operation at Stubbs farm contributed to an improved class culture. Many students have a new found passion with the land and the fossils. This will be a part of the country and the experiences provided for us, alongside the learning will live in our student's memories for a long time.

It was for an exchange group. They loved it and said it was the highlight of their stay in NZ

The students reported back that the camp was excellent value for money and all felt that they had been transformed in one way or another

What we saw heard and looked at has invigorated the learning. The students level of questioning is elevated

Students were able to engage in their report writing with ease, they shared stories which helped their achievement post event.

Students reflected on the visit in a writing task and most indicated that they were really challenged by these experiences. "Going up to the abseiling rock, I was getting a little nervous ... When I stepped back and looked over the edge of the cliff, I got a rush of butterflies. Halfway down the wall I felt better and wasn't as scared as I was at the start. When I got down the limestone, I was really happy and excited that I had done this. I was challenged when I let go a little from the rope, so I could fall down faster, but It didn't really work and my feet ended up slipping from the limestone a bit. I fixed this problem by not freaking out too much and focusing on my foot placing so I wouldn't slip again. The virtue I showed the most was determination because when I looked over the side I didn't want to carry on, but I showed determination and pushed through it."

KPI	Activities
To provide and maintain a website, distribute brochures and provide signage and advertising that promotes the Waitomo Caves Discovery Centre	<ol style="list-style-type: none"> <li>1. The website will be maintained and provide up to date information.</li> <li>2. Visitor Activities will be advertised when required.</li> <li>3. Any signage used to promote the Waitomo Caves Discovery Centre will be maintained and up to date.</li> </ol>
To provide information relating to the heritage of the Waitomo Caves region	<ol style="list-style-type: none"> <li>1. The displayed information relating to Waitomo heritage will be accurate, up to date and well maintained, clean and tidy at all times.</li> </ol>
To provide information promoting attractions of the Waitomo District	<ol style="list-style-type: none"> <li>1. The website will contain promotion and links to non-commercial attractions within the Waitomo District.</li> </ol>

- The Waitomo Caves Discovery Centre website has been operative since the commencement of the term of the agreement on 1 July 2018 and is regularly updated.
- Brochures and advertising outside and inside the building promote both the Waitomo Caves Discovery Centre and the attractions of the Waitomo District, with visitor activities advertised when appropriate.
- Signage promoting the Waitomo Caves Discovery Centre is present and updated regularly.
- The website contains promotion and links to non-commercial attractions within the Waitomo District – most recently the Waitomo Caves Sports Day on Saturday 23 March.



KPI	Activities
To provide training to local guides on the Waitomo District attractions	1. Provide education sessions and/or information, as required by local guides to improve the knowledge of the area and cultural significance.

- The Waitomo Discovery Centre provides information and/or education sessions, as required by local guides.
- We are currently involved in discussions with representatives of local guiding companies, hapū and schools, the Ministry of Education and Service IQ to explore options for developing an employment pathway and education programme for local guides.

KPI	Activities
To participate in regional and local tourism groups and advocate for Waitomo Caves and the Waitomo District	<ol style="list-style-type: none"> <li>1. Active participation in local and regional tourism groups such as marketing groups and Regions Tourism Organisations, in particular Hamilton &amp; Waikato Tourism.</li> <li>2. Advocate for integrated promotion of the key attractions of the Waitomo District.</li> </ol>

- Representatives of the Waitomo Discovery Centre actively participate in local and regional tourism groups, most recently the Spring Industry Symposium with the Mighty Waikato (previously Hamilton & Waikato Tourism) on 14 November 2018.

KPI	Activities
To provide access to public facilities including four public toilets, one of which will be open 24 hours per day, and access to 3 rubbish receptacles through the grounds	<ol style="list-style-type: none"> <li>1. Four public toilets will be available for use by the public during opening hours, with one toilet available for use 24/7.</li> <li>2. Toilets will be cleaned a minimum of once daily, and will be supplied with toilet paper, soap and a means of drying hands.</li> <li>3. The toilets will be kept maintained and in good repair.</li> <li>4. Three rubbish bins will be available for use in the Waitomo Village.</li> <li>5. Rubbish bins will be maintained at all times, and the contents emptied prior to becoming full.</li> </ol>

- Four public toilets are available for use by the public during the opening hours of the Waitomo Caves i-SITE & Visitor Information Centre and the Museum of Caves.
- After hours, one toilet is opened to the exterior of the building, allowing public access.
- Toilets are cleaned at least once daily, under a professional cleaning contract, and supplied with consumables.
- There are four rubbish bins outside the building, which are emptied under the same cleaning contract.

Document No: A423355

**Report To: Council**



Meeting Date: 26 March 2019

Subject: **Declaration of Members' Conflicts of Interest**

## Purpose of Report

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

## Commentary

- 2.1 **Conflicts of Interest**
- 2.2 Every elected member has a number of professional and personal links to their community. They may own a business or be a member on a board or organisation. They may have a pecuniary (financial) interest or a non-pecuniary (non-financial) interest. These interests are a part of living in the community which they need to make decisions about in their role with Council.
- 2.3 Elected members are governed by the Local Authorities (Members' Interests) Act 1968 and are guided by the Auditor-General in how this Act is administered. In relation to pecuniary interests, the two underlying purposes of the Act are to:
- ensure members are not affected by personal motives when they participate in local authority matters; and
  - in contracting situations, prevent members from using their position to obtain preferential treatment from the authority (the Council).
- 2.4 Non-pecuniary interests relate to whether an elected member could be in danger of having a real or perceived bias for an issue under consideration.
- 2.5 Elected members will also have interests that are considered no greater than the public at large. For example, most elected members will own a property and therefore be a ratepayer in Waitomo District.
- 2.6 Conflicts of interest at times cannot be avoided, and can arise without anyone being at fault. They need not cause problems when they are promptly disclosed and well managed.
- 2.7 **Declarations of Interest**
- 2.8 At the beginning of each triennial council term, elected members are requested to disclose known interests on behalf of themselves and spouses or partners. It is

up to the elected member to judge whether they have any interests to declare. Some elected members may have none.

- 2.9 As well as this, elected members may decide that they have an interest in a particular issue or item to be discussed at a meeting. There is a standing item on every meeting agenda for elected members to declare conflicts of interest.
- 2.10 Members who have declared an interest in any matters that are due to be considered at a Council or Committee meeting should declare that they have an interest in the matter, leave the table and not take part in any discussion, debate or vote on that matter.
- 2.11 Attached to and forming part of this business paper is information to assist elected members in determining conflicts of interest.

**Declarations**

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

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

<b>Name:</b>	
<b>Item of Business on the Agenda:</b>	
<b>Reason for Declaration:</b>	

MICHELLE HIGGIE  
**EXECUTIVE ASSISTANT**

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

3.9 In deciding whether you have a pecuniary interest you should consider the following factors: What is the nature of the decision being made? Do I have a financial interest in that decision – do I have a reasonable expectation of gain or loss of money as a result of making that decision? Is my financial interest one that is in common with the public? Do any of the exceptions in the Act apply to me? Could I apply to the Auditor-General for approval to participate?

3.10 Further guidance is provided in the booklet “Guidance for members of local authorities about the Local Authorities (Members’ Interests) Act 1968” which has been provided to 5 elected members. It is important that you pay particular attention to the contents of this booklet as this is one of the few areas of the Council’s business where staff do not set out to provide pro-active advice and members are personally liable for compliance with the provisions of this Act.

### **3.11 Non-Pecuniary Interest**

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

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

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

<b>Waitomo District Council Procurement Policy – 23 February 2013</b>
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4.1 The following is an extract from the Procurement Policy:

**2.1.11 Conflicts of Interest**

*WDC procurement process will be conducted with a spirit of probity demonstrating:*

- *integrity;*
- *honesty;*
- *transparency;*
- *openness;*
- *independence;*
- *good faith; and*
- *service to the public.*

*A conflict of interest occurs where:*

*A member's or official's duties or responsibilities to Council could be affected by some other interest or duty that the member or official may have.*

*The other interest or duty might exist because of:*

- *holding another public office;*
- *being an employee, advisor, director, or partner of another business or organisation;*
- *pursuing a business opportunity;*
- *being a member of a club, society, or association;*
- *having a professional or legal obligation to someone else (such as being a trustee);*
- *owning a beneficial interest in a trust;*
- *owning or occupying a piece of land;*
- *owning shares or some other investment or asset;*
- *having received a gift, hospitality, or other benefit from someone;*<sup>9</sup>
- *owing a debt to someone;*
- *holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person or issue ; or*
- *being a relative or close friend of someone who has one of these interests, or who could otherwise be personally affected by a decision of Council*

*A relative or close friend includes:*

- *For matters covered by the Local Authorities (Members' Interests) Act 1968, the interests of a spouse, civil union partner, or de facto partner must be considered.*
- *Generally, the interests of any relative who lives with the member or official (or where one is otherwise dependent on the other) must be treated as being effectively the same as an interest of the member or official.*
- *For other relatives, it will depend on the closeness of the relationship, but it will usually be wise not to participate if relatives are seriously affected*
- *Where Council's decision or activity affects an organisation that a relative or friend works for, it is legitimate to take into account the nature of their position or whether they would be personally affected by the decision.*

*Examples of potential conflicts of interest include:*

- *conducting business on behalf of Council with a relative's company;*
- *owning shares in (or working for) particular types of organisation that have dealings with (or that are in competition with) Council;*

- *deliberating on a public consultation process where the member or official has made a personal submission (or from making submissions at all, in areas that directly relate to the entity's work);*
- *accepting gifts in connection with their official role; or*
- *influencing or participating in a decision to award grants or contracts where the member or official is connected to a person or organisation that submitted an application or tender.*

*All elected members, WDC staff or advisers involved in a procurement process are required to declare any other interests or duties that may affect, or could be perceived to affect, their impartiality. WDC will then decide the steps necessary to manage the conflict, having regard to any relevant statutory requirements. WDC will maintain a register of declarations of conflicts of interest that records any conflicts of interest and how they will be managed.*

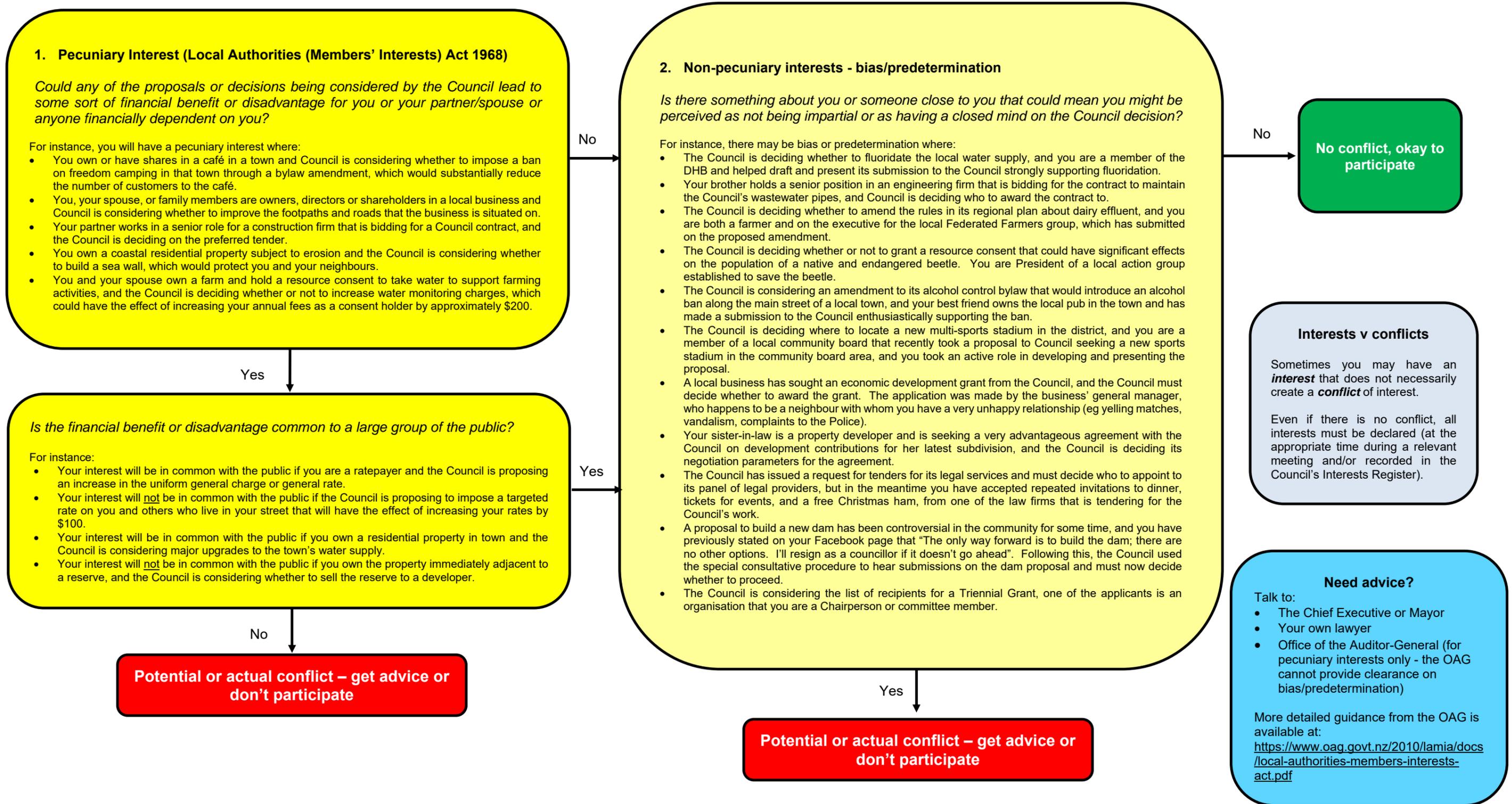
*An annual update of the register will be coordinated and maintained by the Executive Office.*

*Under no circumstances will a procurement process allow as an outcome of that process a circumstance where Council elected members, WDC staff or advisers to receive preferential treatment.*

Before you participate in any Council decision ...

CONFLICTS OF INTEREST

Check you don't have a pecuniary interest and that there is no bias or predetermination.



Remember: If in doubt, stay out!

## WAITOMO DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 26 FEBRUARY 2019 AT 9.00AM

**PRESENT:** Mayor Brian Hanna, Council Members Phil Brodie, Terry Davey, Allan Goddard, Janene New and Sue Smith

**IN ATTENDANCE:** Jason Dawson, Chief Executive, Hamilton and Waikato Tourism  
  
Chief Executive; Executive Assistant; Group Manager – Community Services (for part only); General Manager – Infrastructure Services (for part only);

<b>1. Council Prayer</b>
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<b>2. Apology</b>
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**Resolution**

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

Brodie/Smith          Carried

<b>3. Deputation – Hamilton Waikato Tourism</b>
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Council received a Deputation from Jason Dawson, Chief Executive of Hamilton and Waikato Tourism presenting the Hamilton and Waikato Tourism Six Monthly Report and showing promotional video clips.

The meeting adjourned for morning tea at 9.46am and reconvened at 10.09am.

Jason Dawson, Chief Executive, Hamilton and Waikato Tourism and the Group Manager – Community Services left the meeting at 10.09am.

**Resolution**

The Deputation from Hamilton Waikato Tourism – Six Monthly Report be received.

New/Brodie          Carried

<b>4. Declarations of Member Conflicts of Interest</b>
--

Members declared conflicts of interest in regard to the Agenda as set out in the table below:

Name	Item of Business on Agenda	Reason for Declaration
Mayor Hanna	<ul style="list-style-type: none"> <li>• Item 7: Receipt of Waitomo Sister City Committee Minutes: 13 December 2018 and 22 January 2019</li> <li>• Item 10: Progress Report – Sub-Regional (Southern) Waikato Economic Development Action Plan</li> <li>• Vibrant Safe Waitomo Regional Coalition Terms of Reference</li> <li>• Local Government New Zealand – 2019 Annual General Meeting Remit Process</li> <li>• Public Excluded Item 2 - North King Country Indoor Sports and Recreation Centre – Game On Charitable Trust Grant Funding</li> </ul>	<p>Member of Waitomo Sister City Committee</p> <p>Member of SWEAP Governance Group</p> <p>Member of Vibrant Safe Waitomo</p> <p>Local Government New Zealand National Council Member</p> <p>Trustee of Game On Charitable Trust</p>
Cr New	Item 7: Receipt of Waitomo Sister City Committee Minutes: 13 December 2018 and 22 January 2019	Member of Waitomo Sister City Committee

## 5. Motion to Exclude the Public

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

### Resolution

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

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

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
2. North King Country Indoor Sports and Recreation Centre – Game On Charitable Trust Grant Funding	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
3. Appointment of Civil Defence Emergency Management Alternate Local Controller	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
4. Legalisation of Whakapirau Road	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
5. Te Kuiti Water - Taste and Odour Values	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)

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

Brodie/Goddard Carried

#### **6. Resolution to Re-open Meeting to the Public**

##### **Resolution**

The meeting be re-opened to the public for the consideration of that part of the Agenda which is not public excluded business.

New/Brodie Carried

The meeting re-opened to the public at 10.42am.

#### **7. Verbal Reports: Individual Councillor Roles and Responsibilities**

The Mayor and Councillors gave verbal reports on their individual Council roles and responsibilities as follows:

##### Cr Brodie

- Mokau Ratepayers Meeting
- Bird Talk Article
- Tainui Trading Post Article
- Tainui Wetere Domain Board
- Aria Sports Day
- Mokau Structure Plan Meeting

- Interview with a Consultant re Mount Messenger Stakeholder Evaluation
- Club Liquor Licensing Training
- Piopio Structure Plan Meeting

#### Cr New

- Sport NZ Rural Travel Fund Meeting
- Waitomo Sister City
- Mayor's End of Year Staff and Elected Member Shout
- Legendary Te Kuiti
- Creative Communities

#### Cr Goddard

- Destination Pureora
- Benneydale Hall

#### Cr Davey

- Sport NZ Rural Travel Fund Meeting
- Creative Communities
- Te Kuiti Community House

#### Cr Smith

- Waitomo Museum
- Mayor's End of Year Staff and Elected Member Shout
- Coast Sports
- Marokopa Camp Ground issues
- Freedom Camper queries
- Toitōi Café at Te Anga
- Food Truck at Marokopa
- Waitomo Village Structure Plan Meeting
- Waitomo Village Facebook Page
- Waitomo Village Pataka
- Tere Waitomo
- Waitomo Village Community Concerns

#### Mayor Hanna

- Wintec Workshop – Survey Results
- Mayoral Forum
- Waikato Plan Leadership
- South Waikato Economic Development Action Plan
- Sport Waikato
- LGNZ
- Maru Trust
- Te Ponamu Marae
- Ruapehu District Council Solid Waste
- Sky Garden
- Media Issues
- Tuia Rangitahi
- Coffee with a Cop – Te Kuiti
- Vibrant Safe Waitomo
- LGNZ National Council
- WATA (Regional Three Waters Collaboration Project)
- Opening of Maternity Resource Centre
- Powhiri for new Otorohanga District Council Chief Executive
- Nga Wai O Waipa Co-Governance Meeting

- Perry Lunch Meeting
- Te Kuiti Pa Opening
- Mokau Business

#### **Resolution**

The verbal reports be received.

New/Smith          Carried

The General Manager - Infrastructure Services and Group Manager – Community Services entered the meeting at 11.20am.

### **8. Confirmation of Minutes – 27 November 2018**

#### **Resolution**

The Minutes of the Waitomo District Council meeting of 27 November 2018, including the public excluded portion, be confirmed as a true and correct record.

New/Goddard          Carried

### **9. Receipt of Brook Park Minutes: 3 December 2018 and 4 February 2019**

Council considered a business paper providing information relating to the October 2018 Brook Park Incorporated Society Meetings.

#### **Resolution**

The business paper on Brook Park Incorporated Society: Minutes of 3 December 2018 and 4 February 2019 be received.

Smith/New          Carried

### **10. Receipt of Waitomo Sister City Committee Minutes: 13 December 2018 and 22 January 2019**

Council considered a business paper providing information relating to the Waitomo Sister City Committee Meetings on 13 December 2018 and 22 January 2019.

The Mayor and Councillor New expanded verbally on the Minutes and answered Member's questions.

#### **Resolution**

The business paper on Waitomo District Sister City Committee – Minutes of Meetings: 13 December 2018 and 22 January 2019 be received.

New/Brodie          Carried

<b>11. Progress Report – Community Development</b>
--

Council considered a progress report on current work streams within the Community Development portfolio, including the 2018/2019 Waitomo District Youth Council Work Plan for endorsement.

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

**Resolution**

- 1 The Progress Report: Community Development be received.
- 2 Council endorse the 2018/2019 Waitomo District Youth Council Work Plan.

New/Brodie          Carried

<b>12. Progress Report: Sub Regional (Southern) Waikato Economic Development Action Plan</b>
--

Council considered a progress report on the development of the Sub Regional (Southern) Waikato Economic Development Action Plan.

The Mayor and Group Manager – Community Services expanded verbally on the business paper and answered Members' questions.

**Resolution**

The business paper on Progress Report: Sub Regional (Southern) Waikato Economic Development Action Plan be received.

Brodie/Goddard          Carried

<b>13. Vibrant Safe Waitomo Regional Coalition – Terms of Reference</b>
---

Council considered a business paper presenting the revised Vibrant Safe Waitomo Regional Coalition Terms of Reference for adoption.

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

**Resolution**

- 1 The business paper on Vibrant Safe Waitomo Regional Coalition Terms of Reference be received.
- 2 Council adopt the amended Vibrant Safe Waitomo Regional Coalition Terms of Reference.

Davey/Smith          Carried

<b>14. Documents Signed under Council's Common Seal</b>
---

Council considered a business paper informing of documents signed under the Common Seal of the Council.

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

### Resolution

The business paper on Documents Signed and Sealed under Council's Common Seal be received.

Brodie/New Carried

## 15. Local Government New Zealand – 2019 Annual General Meeting Remit Process

Council considered a business paper informing of the process for submitting remits for consideration at the 2019 Local Government New Zealand (LGNZ) Annual General Meeting (AGM).

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

### Resolution

- 1 The business paper on Local Government New Zealand – 2019 Annual General Meeting Remit Process be received.
- 2 Council continue to lobby key issues through Zone and Sector Group Meetings rather than initiate individual remits to LGNZ AGMs.

New/Goddard Carried

## 16. Amendment to Public Health and Safety Bylaw 2014 to give effect to Section 152B of the Local Government Act 2002 and Section 446 of the Food Act 2014

Council considered a business seeking a decision from Council to amend the Public Health and Safety Bylaw 2014 to give effect to:

- (a) Section 152B of the Local Government Act 2002 (LGA); and
- (b) Section 446 of the Food Act 2014.

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

### Resolution

- 1 The business paper on 'Amendment to Public Health and Safety Bylaw 2014 to give effect to Section 152B of the Local Government Act 2002 and Section 446 of the Food Act 2014 be received.
- 2 Council resolve to:
  - (a) Revoke clauses 6.3 to 6.10, the definitions "acceptable means of fire suppression", "fire permit", "open fire season", "prohibited fire season", "restricted fire season", "incinerator fire", "incinerator" and

"ethnic cooking fire", amend clauses 6.1 and 6.2, and revoke clause 9 of the Public Health and Safety Bylaw 2014; and

(b) Publicly notify its resolution.

New/Smith

Carried

The Group Manager – Community Services left the meeting at 11.43am.

#### **17. Progress Report – Housing and Other Property**

Council considered a progress report on work streams within the Housing and other Property activity.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

##### **Resolution**

The Progress Report: Housing and other Property be received.

New/Goddard

Carried

#### **18. Progress Report: Parks and Reserves**

Council considered a progress report on service delivery within the Parks and Reserves Activity.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

##### **Resolution**

The Progress Report: Parks and Reserves be received.

Davey/Smith

Carried

#### **19. Progress Report: Public Amenities**

Council considered a progress report on work streams within the Public Amenities portfolio.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

##### **Resolution**

The Progress Report: Public Amenities be received.

New/Smith

Carried

The meeting adjourned for lunch at 12.10pm and reconvened at 12.45pm.

<b>20. Progress Report: Recreation and Culture</b>
--

Council considered a progress report on work streams within the Recreation and Culture Activity.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

**Resolution**

The Progress Report: Recreation and Culture be received.

New/Davey                      Carried

<b>21. Progress Report: Roads and Footpaths</b>
---

Council considered a progress report on the key projects and programmes, Roads and Footpaths activity, outlined in the Waitomo District Council Long Term Plan 2018-2028 (the LTP).

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

**Resolution**

The Progress Report – Roads and Footpaths be received.

Goddard/New                      Carried

<b>22. Progress Report: Solid Waste Services</b>
--

Council considered a progress report on work streams within the Solid Waste management portfolio, including contracted services.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

**Resolution**

The Progress Report: Solid Waste Services be received.

New/Goddard                      Carried

<b>23. Progress Report: Water Supply, Sewerage and Stormwater</b>
---

Council considered a progress report on the Three Waters Activities as set out in Council's Long Term Plan, including contracted services.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.



Confidential Confidential

Confidential Confidential

Confidential

Confidential Confidential

Confidential Confidential

Confidential

<b>Document No:</b> A423352	
<b>Report To:</b>	<b>Council</b>
	<b>Meeting Date:</b> 26 March 2019
	<b>Subject:</b> <b>Receipt of Brook Park Incorporated: Minutes – 4 March 2019</b>
	<b>Type:</b> Information Only

### Purpose of Report

- 1.1 The purpose of this business paper is to provide Council with information relating to the latest Brook Park Incorporated meeting.

### Local Government Act S.11A Considerations

- 2.1 There are no Section 11A of the Local Government Act considerations relating to this business paper.

### Background

- 3.1 In November 2007, Council established a Work Group for the purpose of working with a Consultant and members of the community to develop a proposal and policy document for Brook Park.
- 3.2 Development of the Brook Park Management Plan (MP) was completed following a public consultation process, including a Hearing of submissions in February 2010.
- 3.3 An objective contained in the MP was to establish a Friends of Brook Park (FBP) organisation to enable the community to participate in the future of Brook Park, and, and as a primary objective, to raise funds for achieving park projects and developments.
- 3.4 The FBP was to replace the Brook Park Advisory Committee which was in place at that time, but which did not have any mandate to represent the community's interest in the Park, nor to raise funds for park projects.
- 3.5 It was envisaged that the FBP would enable the community to become more involved in their Park, through dissemination of information; being able to assist in fundraising and other activities that promote and enhance Brook Park; and by having a "voice" to assist Council with management of Brook Park.
- 3.6 As a charitable body, and an incorporated society, a FBP organisation would be able to successfully apply for third party funding to assist Council with implementing the community's vision for Brook Park.
- 3.7 The Policy implemented by Council through the Brook Park MP is as follows:
1. *Council will support and encourage the formation of a Friends of Brook Park, as a charitable incorporated society.*
  2. *The aims of the Friends of Brook Park shall be:*
    - i) *To foster interest in Brook Park;*
    - ii) *To promote the development of Brook Park;*
    - iii) *To raise funds for approved projects*
    - iv) *To preserve the integrity of Brook Park*
  3. *The Constitution of the Friends of Brook Park shall provide for Council representation on the Society's Committee, and to enable the*

*representative to veto any decision that is not in the best interests of the park or the community.*

4. *Council will dissolve the Brook Park Advisory Committee on the successful establishment of the Friends of Brook Park.*
- 3.8 During 2011 WDC advertised several times seeking interested persons to join the committee with limited success. Council considered that a Leadership Work Group consisting of three Council members would be beneficial to provide political leadership and assist in getting the FBP established and in December 2011 Council established the Brook Park Leadership Work Group.
  - 3.9 The FBP Group was finally established early in 2012 with numbers fluctuating as more members of the public become interested in the future of the park. By mid-2012 the group was incorporated as "Brook Park Incorporated" (BPI) to administer the day to day operations/development of Brook Park.
  - 3.10 Brook Park is operated as a farm park, with a grazing licence granted by WDC to a lessee. The Reserves Act 1977 states that any lease or agreement on reserve land has to be granted by the administering body, which in this case is the Waitomo District Council. Therefore BPI cannot lease these grazing rights to another entity or individual.
  - 3.11 With the administering body being WDC and the consequent income stream for the grazing lease being part of WDC's reserve income (between \$2000-\$4000), there was little opportunity for BPI to achieve a sustainable income stream for minor works and administration. The income derived by BPI at that time was by way of subscription donation (\$10 per member) and any successful grant applications for specific projects.
  - 3.12 To improve the financial viability and robustness of the BPI, in October 2012 a Memorandum of Understanding (MOU) between WDC and BPI was developed and approved. Council also agreed to provide an annual grant to BPI for operational management of the reserve, equivalent to the annual derived lease income.

### **Commentary**

- 4.1 Since early in 2014, BPI has kept WDC informed of progress in the day to day operations/development of Brook Park by providing copies of its monthly meeting Minutes.
- 4.2 Attached to and forming part of this business paper is a copy of the BPI unconfirmed Minutes of 4 March 2019.

### **Suggested Resolution**

The business paper Brook Park Incorporated: Unconfirmed Minutes of 4 March 2019 be received.



MICHELLE HIGGIE  
**EXECUTIVE OFFICER**

**BROOK PARK**  
**INCORPORATED SOCIETY**

**Meeting Minutes**  
Monday 4 March 2019  
5.30 pm

Council Chambers  
Queen Street  
**TE KUITI**

**BROOK PARK INCORPORATED SOCIETY**

**THE MINUTES OF THE MEETING OF THE BROOK PARK INCORPORATED SOCIETY  
HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON MONDAY 4 March  
2019 COMMENCING AT 5.30 PM**

---

**MINUTES**

**Attendance:** Guy Whitaker, Gerald Kay, Neil Brooks, Phillip Houghton, Robin Charteris, Sue Wagstaff, Rob Buckley, Dawn Anselmi,

**Apologies** – Elly Kroef, Graeme Churston , Glyn Meads, Sheralee Buchanan, Suzie Hoare Accepted- M/ S – Phillip/ Sue.

Neil temporary chairperson until Guy arrived at 6 pm.

**Confirmation of Minutes of 4 February**

That minutes of previous meeting be accepted as a true and accurate record. M/S Neil/ Phillip

**Matters Arising from Minutes-** Nil

**Financial Report**

Opening balance \$ 17 552.31

Payments-

Lyceum Club-\$250

Cruise FM-\$145

Disc Golf-\$8280

Waitomo News-\$226.31

Income-

Subs -\$20

Interest-\$1.20

Cheque to TA band , \$500 yet to be presented.

Accounts to be paid-\$352.31 to Phillip for Fence materials, may be handed on to WDC as boundary fences are their responsibility.

Closing balance \$10474.38.

Term Deposit \$ 10 335.97 at 14/3, Re-invested for 183 days @ 3.25%

Report accepted . M/S- Phillip/ Rob.

**Correspondence**

Outwards: Thank you letter to Rotary via Diane Forgesen

## **Maintenance/Fencing**

Guy reported back on his meeting with Kobus, Ed and Todd Percival re boundary fencing.

Phillip reported back on his conversation with Ed Morrow.

Pine trees expected to fetch +- \$100 tonne.

Six tonnes of fertiliser has been applied-thanks Rob.

Rob suggested and we agreed, that an Overall management Plan for the Park be set up.

## **Weed Control**

Working Day Sunday 17 February. 3 people turned up. No work done.

## **Disc Golf**

Simon making up Tee pads, with Placemakers.

WDC digger available; liaise with Guy.

WDC also offering to pay for Tee signs.

Hole sponsorship ongoing.

## **General Business**

Signage forbidding horses in the Park to be set up by WDC.

Meeting closed @ 6.20 pm

**Next Meeting** Mon 15 April. . Apologies from Sue Wagstaff.

Neil Brooks

Secretary

**Document No: A423689**

**Report To: Council**



**Meeting Date: 26 March 2019**

**Subject: Waitomo District Sister City Committee –  
Minutes of Meetings: 13 February 2019**

**Type: Information Only**

### **Purpose of Report**

- 1.1 The purpose of this business paper is to provide Council with information relating to the Waitomo Sister City meetings of 13 February 2019.

### **Commentary**

- 2.1 On 22 March 1994 it was adopted that Waitomo District Council (WDC) would have a Waitomo Sister City Committee (the Committee). This Committee would comprise of; His Worship the Mayor, the Chief Executive, Customer Services Executive and such members from the public as may from time to time be agreed.
- 2.2 A Sister City relationship was formed on 30 March 1995 with the signing of a formal agreement by Waitomo District Council and the Tatsuno Township on behalf of their communities. The Agreement was later signed in Tatsuno on the 26 April 1995. This Agreement outlines key factors such as the promotion of friendship and goodwill along with the endeavour to encourage an understanding and awareness of the separate cultures and the exchange of ideas and people between the communities.
- 2.3 The relationship with the Tatsuno International Association has been led by the Committee on which the WDC staff and Councillors of different appointments have historically sat.
- 2.4 There has been varied levels of membership and association to external supporting groups over the years as a means to enhance the Sister City relationship.
- 2.5 A Waitomo Sister City Terms of Reference and Guidelines was developed to support the Committee, WDC and Host Schools involved in the maintenance and enhancement of the Sister City relationship with Tatsuno Township. These documents were adopted by both the Committee and Council in October 2017.
- 2.6 In accordance with clause 6 of the Terms of Reference, a copy of the latest Committee meeting minutes are attached to and forms part of this business paper for Council's information.

**Suggested Resolution**

The business paper on Waitomo District Sister City Committee – Minutes of Meetings: 13 February 2019 be received.

A handwritten signature in blue ink, appearing to read 'Michelle Higgie', written in a cursive style.

MICHELLE HIGGIE  
**EXECUTIVE ASSISTANT**

March 2019

Attachment: Waitomo Sister City Minutes – 13 February 2019 (Doc A423751)

## WAITOMO SISTER CITY COMMITTEE

MINUTES OF A MEETING OF THE WAITOMO SISTER CITY COMMITTEE HELD  
IN THE MAYOR'S MEETING ROOM, QUEEN STREET, TE KUITI ON  
WEDNESDAY 13 FEBRUARY 2019 AT 4:30PM

### MEMBERS

Janis MacDonald  
(Chairperson)  
Email: RJ Ventures  
[rossandjanis@xtra.co.nz](mailto:rossandjanis@xtra.co.nz)

Mrs M MacKinder  
Email:  
[docmac\\_chas@xtra.co.nz](mailto:docmac_chas@xtra.co.nz)

Andrea Hanna  
Email:  
[andrea@hanna.net.nz](mailto:andrea@hanna.net.nz)

Jenny Crown  
Email:  
[jennyc@pukenui.school.nz](mailto:jennyc@pukenui.school.nz)

Mayor Brian Hanna  
Email:  
[brian@hanna.net.nz](mailto:brian@hanna.net.nz)

Cr Janene New  
Email:  
[Janene.New@waitomo.govt.nz](mailto:Janene.New@waitomo.govt.nz)

Cr Guy Whitaker  
Email:  
[guy@tekuiti100.co.nz](mailto:guy@tekuiti100.co.nz)

**PRESENT:** Janis MacDonald (Chairperson)  
Mayor Brian Hanna  
Andrea Hanna  
Deputy Mayor Guy Whitaker  
Cr Janene New  
Marilyn MacKinder  
Jenny Crown

**APOLOGIES:** Nil

**WDC STAFF:** Clowdy Ngatai (WDC Community Development Coordinator)

### 1. Apologies

No apologies were received

### 2. Confirmation of Minutes - 13 November 2018

**Confirmation of Minutes:** The selection criteria recorded in point '7' regarding the criteria for selection to join the outbound adult delegation to Tatsuno had not recorded all criteria discussed. The criteria should read "The adult be a Waitomo District resident over the age of 21. Parents and /or family members of the selected students would not be considered". With the aforementioned amendment it was resolved that the Minutes of the meeting held 22 January 2019 in the Mayor's Meeting Room were a true and correct record.

Moved M MacKinder / 2<sup>nd</sup> J MacDonald.

### 3. Matters Arising

No further matters arising that are not already included on the circulated agenda.

#### 4. Inward Correspondence

- 24 January 2019. Akira to J MacDonald with an attachment of the student profiles
- 31 January 2019. Akira to J MacDonald and C Ngatai. Delegation and homestay requests.

#### 5. Outward Correspondence

- 23 January 2019. J MacDonald to Akira and Akemi. Requesting more information about the visit to Waitomo.
- 28 January 2019. J MacDonald to Akemi. Clarifying travel dates and accommodation requests.
- 7 February 2019 J MacDonald to Mayor Brian Hanna, with committee cc'd. Upcoming visits by the Tatsuno groups

#### 6. Establishment of a Incorporated Society

The committee is nearly ready to submit the application, just requiring one more member to sign. The draft agreement has been read by the committee and accepted.

#### 7. 2019 Travel to Tatsuno

We still need to arrange hotel in Tatsuno and organize room compilation. J MacDonald and J New will work through this. J MacDonald will confirm flights with the travel agent. J MacDonald and J Crown are meeting with our outbound students and their families on 20 February to update them and build comradery.

#### 8. Ballot

Three expressions of interest were submitted within the timeframe. Libby and Pete Chandler and Stormy Thackeray (sister of an outbound student). G Whitaker will advise Libby and Pete Chandler that they were successful and will advise Miss Thackeray that on this occasion she was unsuccessful. Costs will be confirmed to Libby and Pete shortly.

#### 9. Travel Arrangement for Delegation and Students visiting Waitomo

Discussed tabled itinerary and amendments made accordingly. Hosts have been identified and costings to be worked through. G Whitaker had a cost for van and trailer hire however needs have changed so will go back to Ammon's for an amended quote.

#### 9. Second Chaperone

Kevin Ikin has agreed to be our second chaperone. J MacDonald has spoken with Mr. Ikin and answered any of his queries.

**10. General Business**

Nil

**11. Next Meeting**

Tuesday 12 March 2019 at 4pm in the Mayor's meeting room.

Meeting closed at: 5:34pm

**Document No:** A423348

**Report To:** Council



**Meeting Date:** 26 March 2019

**Subject:** Documents Signed under Council's Common Seal

### Purpose of Report

- 1.1 The purpose of this business paper is to inform Council of documents signed under the Common Seal of the Council.

### Commentary

- 2.1 As set out in Council's Policy on Use of the Council Seal, all bylaws made by the Council are to be authenticated or signed on behalf of the Council by way of affixing the Common Seal. A copy of the Policy on Use of the Council Seal (Doc A388449) is attached to and forms part of this business paper.
- 2.2 The Policy also provides that a schedule listing the documents to which the Common Seal has been applied is provided to the next scheduled meeting of Council so that Council may ratify the sealing and pass an appropriate resolution to record the same.
- 2.3 Council at its meeting on 26 February 2019 resolved to amend its Public Health and Safety Bylaw 2014 to give effect to Section 152B of the Local Government Act 2002 and Section 446 of the Food Act 2014 and to public notify the amendments.
- 2.4 As a result, the amended Public Health and Safety Bylaw 2014 has been signed under Seal by the Mayor and Chief Executive.
- 2.4 Listed below are the WDC Bylaws signed under Council's Common Seal. Copies of these Bylaws are available on WDC's Website.
- Dog Control Bylaw
  - Freedom Camping
  - Land Transport
  - Public Amenities
  - Public Health and Safety
  - Public Places Bylaw
  - Solid Waste
  - Trade Waste Bylaw
  - Water Services

### Suggested Resolutions

The business paper on Documents Signed and Sealed under Council's Common Seal be received.

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

MICHELLE HIGGIE  
**EXECUTIVE ASSISTANT**



# Policy

# Use of Council Seal

# 2018

Policy Adopted	
Last Review	<b>2018</b>
Next Review	<b>2023</b>

## 1.0 Objective

- 1.1 To set out the limitations on the use of the Council Seal (also known as the 'Common Seal').

## 2.0 Policy

- 2.1 The Common Seal of the Waitomo District Council must be affixed to the following documents as required by law:
- a) A written warrant under section 174(1) of the Local Government Act 2002
  - b) A conveyance, transfer or lease under section 345(1)(a) of the Local Government Act 1974.
  - c) A memorandum of transfer or lease under section 80 of the Local Government (Rating) Act 2002.
  - d) The approval of a policy statement or plan under clause 17 of Schedule 1 of the Resource Management Act 1991.
- 2.2 The following documents are to be authenticated or signed on behalf of the Council by way of affixing the Common Seal:
- a) Any bylaws made by the Council.
  - b) Consent to a dealing where Council has a Land Charge imposed under the Statutory Land Charges Registration Act 1928 and where such dealing does not affect the priority of substance of Council's Statutory Land Charge. (A partial release, where part of the land is sold but the charge remains, would still be a matter for Council's discretion).
  - c) Bonds for roading construction in subdivision development.
- 2.3 The Common Seal may be affixed to any document referred to in clauses 2.1 or 2.2 subject to the following requirements:
- a) The affixing of the Common Seal to any document is either to be in accordance with the requirements of a resolution from Council or a Council Committee, or undertaken by an officer acting under delegated authority (i.e. sealing documents under delegation pursuant to a particular Act); and
  - b) A schedule listing the documents to which the Common Seal has been applied is provided to the next scheduled meeting of Council so that Council may ratify the sealing and pass an appropriate resolution to record the same.
- 2.4 The Chief Executive shall be responsible for managing the security and use of the Common Seal.

**Document No:** A423365

**Report To:** Council



**Meeting Date:** 26 March 2019

**Subject:** Waitomo Energy Services Customer Trust  
– Election of Trustees by Major Customers

## Purpose of Report

- 1.1 The purpose of this business paper is to inform Council of the recent election of two Trustees to the Waitomo Energy Services Customer Trust (WESCT).

## Background

- 2.1 WESCT is the 100% shareholder in The Lines Company Limited (TLC) and holds the shares for the benefit of customers of the TLC in the former Waitomo Electric Power Board District - commonly known as the "Northern Area" of TLC's network.
- 2.2 Under the terms of the Trust Deed, Major Customers are required to elect two "B" Trustees to undertake office for a three-year period.
- 2.3 In March 2018, at the conclusion of the monthly Council meeting, Mayor Hanna raised the need for Council, as a Major Customer of TLC, to consider whether or not it should make a nomination(s) following the resignations of the former Chairperson to the WESCT, Ivan Haines and Trust Board member Kevin Tregoweth.
- 2.4 Those two resignations created mid-term vacancies for the representation of Major Customers (Class B Trustee).
- 2.5 By way of email dated 19 April 2018, the Chief Executive (on behalf of Mayor Brian) sought feedback from Council as to whether or not they would support a proposal that Council nominate Peter Keeling as a Trustee of WESCT.
- 2.6 Feedback received from Councillors was in support and Peter Keeling was duly nominated by the Council and was successful in filling one of the two mid-term vacancies. Kyle Barnes was the other successful nominee.
- 2.7 As these Trustees were appointed mid-term (partway through the three year term), their term in office expires on the 31 March 2019 after less than one full year in office.

## Commentary

- 3.1 On 1 February 2019, Council received advice from WESCT of the upcoming expiry of mid-term elected "B" Trustees (Peter Keeling and Kyle Barnes) creating two vacancies on the WESCT and that nominations were to be completed and lodged by 5pm on Thursday 21 February 2019.

- 3.2 Mayor Hanna spoke with Peter Keeling who confirmed that he was happy for Council to re-nominate him for election on the WESCT.
- 3.3 Council's nomination of Peter Keeling to the WESCT Trust was lodged and the WESCT Returning Officer has now advised that as there were only two nominations received (Peter Keeling and Kyle Barnes) for the two vacancies, no election was required and the two nominees were declared as "B" Trustees for a term of three years commencing 1 April 2019 and concluding on 31 March 2022.
- 3.4 A copy of WESCT's advice and the Trustee Profiles is attached to and forms part of this business paper for information.

## Suggested Resolutions

The business paper on Waitomo Energy Services Customer Trust – Election of Trustees by Major Customers be received.



MICHELLE HIGGIE  
**EXECUTIVE ASSISTANT**

Attachment: WESCT Correspondence dated 26 February 2019 (Doc A422559)



RECEIVED  
28 FEB 2019  
WAITOMO DISTRICT  
COUNCIL

PO Box 209  
Te Kuiti 3941  
E. info@wesct.org.nz  
P. 027 PH WESCT (027 74 93728)

WAITOMO DISTRICT COUNCIL  
PO BOX 404  
TE KUITI 3941

26 February 2019

Dear Sir/Madam

**RE: ELECTION OF TWO TRUSTEES TO WAITOMO ENERGY SERVICES CUSTOMER TRUST BY MAJOR CUSTOMERS**

Nominations seeking two Trustees for the Waitomo Energy Services Customer Trust closed on the 21 February 2019.

There were two nominations received for the positions, therefore, in alphabetical order of surname, I declare:

**Kyle Barnes** | telephone: 021 874 537 | email: kyle.barnes@xtra.co.nz |  
**Peter Keeling** | telephone: 027 444 5876 | email: pcbkeeling@gmail.com |

as "B" Trustees of the Waitomo Energy Services Customer Trust for a term of three years commencing on the 1st day of April 2019 and concluding on the 31st day of March 2022.

There is no meeting of major customers to be held on 14 March 2019 as the two positions have been filled. This meeting is therefore **cancelled**.

Please email info@wesct.org.nz or leave a message at 027 PH WESCT (027 74 93728) should you have any queries.

Yours faithfully

Celina Yapp  
Secretariat Services | Returning Officer  
For **Waitomo Energy Services Customer Trust**

## ELECTED MAJOR CUSTOMER TRUSTEE PROFILES



**Kyle Barnes**

I am an experienced businessman and farmer in the Waitomo Village area. I have been responsible for project management and development of tourism business and have been active in the tourism industry for 27 years. Recognised as an industry expert I was involved in the consultation and development of the Governments Adventure Safety Guidelines. I am actively involved in the community and Chair the Tere Waitomo Community

Committee which has been responsible for community consultation and a collaborative effort working with council and planning consultants in the preparation of an award-winning Structure Plan for the Waitomo Caves village.

Having a 15-year experience trading Currency, Futures, CFD's and Shares, I am constantly interested in Business from a Micro and Macro perspective. I particularly enjoy distilling complex scenarios and forecasting. In my year as a trustee, I have been diligent, honest and hard working.



**Peter Keeling**

I am an Agricultural Consultant who has lived and worked in the King Country area since 1992. In that time Sue and I have raised our family of 3 boys in the district, I was a member of the Waitomo District Council from 2004 to 2010, and I have worked with many farming (mainly sheep and beef) businesses throughout the district. I currently live on the Mapara South Rd near Kopaki and continue my consultancy work with Perrin Ag Consultants.

I was elected as a "B" Trustee in the May 2018 "B"-Trustee bi-election so have had 12 months of learning! I have been impressed with the integrity and passion of the people involved on the Trust, the TLC Board, the TLC senior management and their whole team. There will always be challenges to get the mix right between providing returns to the beneficiaries, retaining profit in the company for debt repayment and investment in new technology, and providing an affordable service to all the customers of TLC. This is something that all the staff at TLC are trying to achieve for the King Country community.

I am currently deputy chair of the Trust and was part of the sub-committee that selected the two new TLC directors for the Trust to approve for the Board. The continued community ownership of TLC is something I believe in.

**Document No:** A424662

**Report To:** Council



**Meeting Date:** 26 March 2019

**Subject:** Triennial Elections 2019 – Voting Document Arrangements

**Type:** Decision Required

### Purpose of Report

- 1.1 The purpose of this business paper is to provide information in relation to arrangements for the 2019 Triennial Elections to be held on 12 October 2019 and for Council to make a decision on the order of the surnames of candidates in the voting documents.

### Local Government Act S.11A Considerations

- 2.1 There are no section 11A Local Government Act 2002 considerations in relation to the process for the Triennial Elections 2019.

### Background

- 3.1 Elections for Mayor and Councillors in Waitomo District as well as elections for Waikato Regional Council (WRC), Waikato District Health Board (WDHB) and Horizons Regional Council (HRC) are held every three years.
- 3.2 The election will be undertaken by WDC on behalf of WRC, WDHB and HRC. Note only a very small part of our District falls within HRC boundaries.
- 3.3 This year the elections are being held by postal vote on 12 October 2019 and preparations are underway.
- 3.4 WDC has contracted electionz.com as its provider for vote processing and electoral services. Warwick Lamp, from electionz.com, is the Electoral Officer for Waitomo District Council and Sharon Schou, the Deputy Electoral Officer.
- 3.5 Local Government New Zealand (LGNZ) and the New Zealand Society of Local Government Managers (SOLGM) have a joint local elections' information and promotions campaign under the banner "VOTE 2019". The campaign is about:
- listening and engaging on the issues that matter to locals that will make New Zealand a better place to live, work and play;
  - aligning our communities' views with those of candidates, and supporting candidates as they stand; and
  - people having their say at the October elections and voting for the issues that they care about for their family, business and community.

## 3.6 Key dates for the 2019 Triennial Elections are:

Key Dates	
Friday 19 July 2019	Nominations open
Friday 16 August 2019	Nominations close at 12 noon. Electoral rolls close.
Friday 20 – Wed 25 Sept 2019	Delivery of Voting Papers to electors by post.
Friday 20 Sept – Sat 12 October 2019	Voting Period
<b>Saturday 12 October 2019</b>	<b>Election Day.</b> Voting closes at 12 noon. Progress results will be available and the declaration of the final results will be made as soon as possible.

<b>Commentary</b>
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4.1 **ORDER OF CANDIDATE NAMES**

4.2 Council has until 19 August 2019 to resolve the order in which candidates surnames are listed on the voting paper. The options are:

- **Alphabetical** – candidates are listed alphabetically by surname.
- **Pseudo Random** – all voting documents have candidates in the same random order by surname, having been ordered by the drawing of lots.
- **Random** – every voting paper will have candidates ordered randomly by their surname.

4.3 If Council does not pass adopt one of the above options prior to 19 August 2019, then the default position will apply, which is that candidates are listed alphabetically by surname.

4.4 Considerations for the three options are as follows:

Advantages	Disadvantages
<p><b>Alphabetical</b> Less confusion as the names in the candidate profile booklet and voting papers are in the same order. Voters are easily able to find whom they wish to vote for. Council has in the past always listed candidate's names in alphabetical order of surnames. This is the order traditionally used in local authority and parliamentary elections.</p>	<p>Some argue that this approach favours those candidates with names in the first part of the alphabet.</p>
<p><b>Pseudo Random</b> The order of candidates is random and therefore less likely to favour candidates with names in the first part of the alphabet.</p>	<p>Candidates in the profile booklet are still listed alphabetically and this could cause some confusion. Voters may not as easily be able to find who they wish to vote for. The same random order is used for all voting papers and therefore, some may argue, the same advantage is given to those listed first, as with the alphabetical option.</p>

Advantages	Disadvantages
<p><b>Random</b> The order of candidates' names is different for each voting paper and therefore gives no potential for advantage to any candidate. This option used to be more expensive, but there is no longer any price differential.</p>	<p>Candidates in the profile booklet are still listed alphabetically and this could cause some confusion. Voters may not as easily be able to find who they wish to vote for.</p>

4.5 HRC, WRC and WDHB will also feature on Waitomo's voting papers. We have not yet been informed of the order of candidate surnames for HRC, WRC or WDHB however, previously WRC and WDHB used random, and HRC used alphabetical. It is not necessary for all local body's appearing on the same voting paper to use the same method of ordering candidate names.

#### 4.6 **EARLY PROCESSING**

4.7 The Electoral Act allows the early processing of votes. This enables the return envelopes to be opened to capture individual votes over the voting period, but excludes the totaling of votes. This process allows for a timely release of results once the voting period closes.

4.8 The decision whether to undertake early processing used to be one made by Council, however, the Local Electoral Act 2001, now stipulates that the Electoral Officer make this decision.

4.9 Waitomo District Council's Electoral Officer, Warwick Lamp, has indicated that early processing will be undertaken.

### **Suggested Resolutions**

- 1 The business paper on Triennial Elections 2019 be received.
- 2 Pursuant to Section 31 of the Local Electoral Regulations 2001, Council resolve that the names of the candidates on the voting document for the 2019 Waitomo District Council triennial elections shall be in (**select one only**):
  - a. Alphabetical Order of Surname
  - OR**
  - b. Pseudo-Random Order
  - OR**
  - c. Fully Random Order



SHARON SCHOU  
**DEPUTY ELECTORAL OFFICER**

26 March 2019

<b>Document No:</b> A422981			
<b>Report To:</b>		<b>Council</b>	
	<b>Meeting Date:</b>	26 March 2019	
	<b>Subject:</b>	<b>Progress Report:</b>	<b>Proposed Waitomo District Plan</b>
	<b>Type:</b>	Information Only	

## Purpose of Report

- 1.1 The purpose of this business paper is to update Council on the development and review of the Proposed Waitomo District Plan ("PDP").

## Background

### District Plan Review

- 2.1 In September 2015, Council resolved to undertake a full review of the Operative Waitomo District Plan. The 2018-28 Waitomo District Long Term Plan provides for this process.
- 2.2 The PDP must be legally robust and provide guidance for long term resource management in the District.

## Commentary

- 3.1 The following table is an update on the workstreams underway for the PDP.

Project	Progress
Identification and Management of Coastal Hazards	The second round of consultation with coastal communities has been completed. At this stage it is anticipated that further specific consultation might be required with landowners at Mokau Spit and on Rauparaha Street in Marokopa. The consultants are currently working on the baseline reporting to support district plan provisions.
Te Kuiti, Benneydale and Piopio Town Concept Plans, Waitomo Caves Village and Mokau Structure Plans	The second round of community consultation has been completed. Both the community turn out at the open days and the online feedback levels were good. With little exception, the communities endorsed the work that had been undertaken. Minor changes suggested from the feedback ranged from reassigning the priority of projects to suggesting new economic development ideas.
Land Stability Hazard Assessment	Stage One of this project has been completed and the report is due by the end of March 2019. This will be reviewed before moving on to Stage Two. WRC has generously agreed to fund the land stability hazard assessment.

Project	Progress
Flood Hazard Assessment	Hydrological assessment is underway for the Te Kuiti and Piopio areas using digital elevation modelling and hydrological data. The initial model build for Te Kuiti is almost complete. Outstanding tasks include building the model for Piopio, and the qualitative flood hazard assessments for identified sites and the overall reporting.
Landscapes, Natural Features and the Coastal Environment	The draft natural features assessment is complete. The landscapes and coastal environment assessments have been visually confirmed. The final landscape boundaries are reliant on the Significant Natural Area dataset to ensure boundary alignment of the two layers where this is necessary.
Identification of Significant Natural Areas	The Significant Natural Area (SNA) data set has been refined (this process was funded by WRC) and the consultants are now ready to ground truth selected sites. Consultation dates with landowners will be undertaken in the second quarter of the next financial year. This will allow staff to provide landowners with both suggested provisions (rules) and potential external funding sources / resources to support indigenous biodiversity management.
Identification of heritage buildings	The information collected by volunteer groups on potential heritage sites has been compiled and is being collated. Information gaps on the significance of sites are being filled where possible by staff. Council's expert, Dr Alexy Simmonds will commence the assessment work in April 2019.
Identification of cultural sites	Council staff have been working with staff from the Maniapoto Maori Trust Board on the identification of cultural sites. Priority has been given to collecting information about the significance of the 129 "heritage sites" in the Operative District Plan. Sites which have a legal description as an "urupa" or "burial ground" have also been identified. The mapped information has been shared with the Regional Marae Committees (RMC) to allow them to comment on each site and to add further supporting information or new sites as required.
Iwi Consultation	Two meetings with the RMC Working Group have been held. Please see section 3.3 of this report.
Industry and Special Industrial Areas	Consultation with this stakeholder group has commenced. This work is very dependent on the National Planning Standards in terms of how the sites might be provided for. For example, the sites may be zoned or they may be identified as precincts.

3.2 Over the past two years, Council has covered all of the topic areas that will be included as chapters or zones in the PDP. While some of these topic areas will be renamed as a result of the draft National Planning Standards, the majority of work

directing the overall approach to be taken in the PDP is now complete. The following table summarises the matters that the Council has considered and provided direction on since 27 March 2017.

Matters Council has considered and provided direction on:	Date of Workshop
Application of the purpose of the Resource Management Act Application of the hierarchy of statutory documents The purpose of the rural zone Planning maps	12 April 2017
Structure planning and Town Concept planning – Te Kuiti, Waitomo, Benneydale, Piopio and Mokau The purpose of the rural-residential zone The purpose of the residential zone	20 June 2017
Manaipoto Maori Trust Board Engagement Strategy The Designation process	20 July 2017
Consultant scope – Coastal hazards, landscapes, natural hazards, ecology, heritage and archaeology projects. Manaipoto Maori Trust Board Engagement Strategy The Communication Strategy Coastal hazards, coastal flooding and adaptive management strategies	15 August 2017
Consultation – Te Kuiti and Mokau Reserve Management Plan alignment The purpose of the settlement zone The purpose of the Industrial zone Special Industrial Areas	19 September 2017
Waitomo District Natural Hazards Summary	10 October 2017
Local Indigenous Biodiversity Strategies (LIBS) Te Kuiti Town Concept Plan and Mokau Structure Plan – Draft versions The purpose of the papakaainga zone	17 October 2017
Te Kuiti Town Concept Plan and Mokau Structure Plan – Final versions	21 November 2017
Te Kuiti Town Concept Plan and Mokau Structure Plan – consideration of feedback from open days Heritage structures and buildings – proposed project approach	13 February 2018
The purpose of the conservation zone The purpose of the open space zone	20 February 2018
The purpose of the subdivision chapter The purpose of the commercial zone Progress on coastal hazards consultation – Mokau/Awakino, Marokopa/Kiritehere, Te Waitere/Kinohaku Progress on Significant Natural Area identification Progress on the Structure Planning and Town Concept Planning work	6 March 2018

Matters Council has considered and provided direction on:	Date of Workshop
<p>The purpose of the works and utilities chapter</p> <p>The purpose of the transport chapter</p> <p>Initial rezoning approach</p> <p>The Waitomo Structure Plan, The Benneydale Town Concept Plan and the Piopio Town Concept Plan</p> <p>New national environmental standards for plantation forestry</p>	17 April 2017
<p>Strategic guidelines for the District Plan</p> <p>Progress on Significant Natural Area identification - stakeholders</p> <p>Reserves Management Plan progress</p> <p>Town centre survey</p> <p>Rezoning project</p> <p>National Planning Standards</p> <p>Coastal hazards, coastal flooding and adaptive management strategies update</p> <p>The Waitomo Structure Plan, the Benneydale Town Concept Plan and the Piopio Town Concept Plan – Final versions</p>	5 June 2018
<p>The purpose of the tourism zone</p> <p>The purpose of the deferred zone</p> <p>The purpose of the hazards chapter</p> <p>The purpose of the landscapes chapter</p> <p>The flooding and instability hazards project</p> <p>Coastal hazards – community open days</p> <p>Summary of feedback from the Piopio, Waitomo Caves Village and Benneydale Planning processes</p> <p>The MAP process for Te Kuiti and Mokau</p>	24 July 2018
<p>The Te Kuiti Town Concept Plan – Final Version for Round 2 Consultation.</p> <p>The Mokau Structure Plan – Final Version for Round 2 Consultation.</p> <p>Consultation - Te Kuiti Town Concept Plan and Mokau Structure Plan</p> <p>Te Kuiti Town Centre Retail Assessment.</p> <p>Cultural Sites Identification.</p> <p>The purpose of the Heritage Chapter.</p> <p>The purpose of the Indigenous Biodiversity Chapter.</p>	21 August 2018
<p>The purpose of the lakes and water bodies chapter (Now Natural Environmental Values &amp; Activities on the Surface of Water)</p> <p>The purpose of the amenity chapter (Now General District Wide Matters)</p> <p>The purpose of the strategic direction chapter</p> <p>The Piopio Town Concept Plan – Final Version for Round 2 Consultation.</p> <p>The Waitomo Caves Village Structure Plan – Final Version for Round 2 Consultation.</p> <p>The Benneydale Town Concept Plan – Final Version for Round 2 Consultation.</p>	18 September 2018

Matters Council has considered and provided direction on:	Date of Workshop
The purpose of the Landscape, Landforms and Natural Character Chapter	20 November 2018
Confirmation of the Town Concept Plans and proposed amendments resulting from Round Two Consultation Feedback – Te Kuiti, Waitomo Caves Village, Piopio, Benneydale and Mokau Significant Natural Areas and resequencing of the District Plan	19 March 2019

- 3.3 In line with the Maniapoto Māori Trust Board Engagement Strategy, a working group comprising members of the Regional Marae Committees (RMC) has been convened to provide input into the district planning process. Members of the group work with Council staff to ensure that the concerns and views of the Hapū and Marae that they represent are directly reflected in the development of plan provisions. The first workshop was held on 7<sup>th</sup> December 2018 and covered the stages of preparation for a district plan, the Resource Management Act planning framework, the draft National Planning Standards, the town concept plans and town structure plans; and established how the group would work together. The second meeting was held on 28<sup>th</sup> February 2019. This meeting worked through the location and descriptions of cultural sites within each RMC area and Waikato District Council presented their approach to providing for marae, papakainga and activities on Maori land.
- 3.4 The Proposed Waikato District Plan has taken an innovative approach to the management of activities on Maori Freehold Land (MFL). In some zones, Marae Complex and Papakaainga are proposed to be permitted activities on MFL provided that a Concept Management Plan endorsed by the Maori Land Court (MLC) is provided, with either a Licence to Occupy or a Lease or Occupation Order of the MLC. Marae Complex and Papakaainga must still meet some district plan rule requirements. The working group received the presentation positively and signalled that this is an approach they would like to explore further with both their respective Hapū/Marae and with Council staff. The next meeting is scheduled for April 2019.
- 3.5 The focus for 2019 is on drafting the plan contents and the section 32 evaluation documents. Section 32 requires that any new provision added to the PDP must be examined for its appropriateness in achieving the purpose of the Resource Management Act 1991. The benefits and costs, and risks of every new policy and rule on the community, the economy and the environment must be identified and assessed. All advice received from iwi authorities and the response to the advice needs to be summarised. The analysis of policy decisions must be documented so that stakeholders and decision-makers can understand the rationale. The Resource Management Amendment Act 2013 introduced new requirements under section 32. While these new requirements do not change the purpose of the section, they do encourage quantification of costs and benefits where possible and generally require a more robust analysis that is proportionate to the type and significance of the proposal.
- 3.6 Consultation on the town concept plans was completed in February 2019. Most of the major projects / workstreams are scheduled to be completed this year. To complement the completion of some of these projects, ongoing consultation with particular groups and communities on specific matters will continue.
- 3.7 In terms of the PDP provisions, staff are awaiting the release of the final National Planning Standards which are likely to be available in April 2019. In 2017, Council made a strategic decision to wait for the National Planning Standards to be released in order to ensure efficiencies and significant cost-saving were achieved. If the PDP complies with the National Planning Standards at the outset, this avoids

the high cost of re-drafting the district plan in five (or seven) years' time. Other Councils will face this cost burden even if their district plans are only a few years old. This document determines how the district plan must be structured, how the provisions must be formatted, and addresses matters including what zoning Councils are allowed to apply and what level of electronic functionality must be achieved.

### Suggested Resolution

The Progress Report: Proposed Waitomo District Plan be received.



TERRENA KELLY  
**GENERAL MANAGER ENVIRONMENTAL SERVICES**



CATHY O'CALLAGHAN  
**PRINCIPAL PLANNER**

26 March 2019

**Document No:** A424351

**Report To:** Council



**Meeting Date:** 26 March 2019

**Subject:** 2019/20 Draft Exceptions Annual Plan –  
Significance of Variations

**Type:** Decision Required

## Purpose of Report

- 1.1 The purpose of this business paper is to present to Council information on the materiality and significance of variations contained within the Draft Exceptions Annual Plan (dEAP) for 2019/20.

## Background

- 2.1 Waitomo District Council is currently going through the development of the 2019/20 EAP which is year two of a three year cycle for review of the Long Term Plan.
- 2.2 The Annual Plan is an 'exceptions' based document that is required to focus on *any variations from the forecast and plans identified for the corresponding year in the LTP.*
- 2.3 The requirement of the Local Government Act 2002 (LGA) is that public consultation on the EAP is only required if the proposed plan includes any "significant or material differences" from the corresponding year in the LTP.
- 2.3 The Council has held 3 workshops pertaining to the development of the 19/20 EAP, with the most recent one held on 12<sup>th</sup> March 2019 where Council worked through the draft financial forecasts for the 19/20 EAP and agreed that no further changes were required.

## Commentary

- 3.1 Section 95 (5) (b) of the LGA requires Council's to identify any variations from the financial statements and the funding impact statement for the relevant financial year that are included in the local authority's long-term plan.
- 3.2 If the variances to work-streams to be undertaken by the Council and the impact of those work-streams on costs and funding are material or significant, from the forecasts contained in the Long Term Plan for the corresponding year, then these must be consulted upon with the community.
- 3.3 In developing the 19/20 EAP, no material variations have been made to delay or proceed with any significant project or changes to service delivery aspects undertaken by Council.
- 3.4 There are no significant or material variations or departures from the financial statements or the funding impact statement for the corresponding year in the

LTP. This is demonstrated in Table 1: draft overall cost of service for Council, as discussed during the draft Financial Forecasts for 2019/20 EAP workshop on 12 March 2019.

Table 1

All of Council Cost of Service Statement (\$000's)	LTP 2018/19	LTP 2019/20	dEAP 2019/20	Var to LTP 2019/20	Var to LTP 2018/19
<b>Operating Income</b>	<b>(13,104)</b>	<b>(13,995)</b>	<b>(14,920)</b>	<b>(924)</b>	<b>(1,816)</b>
Direct Expenditure	16,600	16,474	17,123	649	523
Total Indirect Expenditure	13,320	13,566	13,210	(357)	(111)
<b>Gross Cost of Service</b>	<b>29,920</b>	<b>30,041</b>	<b>30,333</b>	<b>292</b>	<b>413</b>
<b>Net Operating Cost</b>	<b>16,817</b>	<b>16,045</b>	<b>15,413</b>	<b>(632)</b>	<b>(1,403)</b>
Capital Expenditure	10,254	11,369	12,383	1,014	2,129
<b>Net Total Expenditure</b>	<b>27,071</b>	<b>27,414</b>	<b>27,797</b>	<b>382</b>	<b>726</b>
Internal Loans	(3,935)	(3,876)	(4,318)	(442)	(383)
External Loan Repayments	779	1,139	999	(140)	221
Reserves	(3,859)	(4,004)	(3,940)	64	(80)
Total Rates	(20,055)	(20,673)	(20,538)	135	(483)
<b>Total Funding</b>	<b>(27,071)</b>	<b>(27,414)</b>	<b>(27,797)</b>	<b>(383)</b>	<b>(726)</b>

3.5 In relation to the funding proposal in the draft EAP 19/20, total rates revenue requirement is proposed to be lower than the forecasts contained in the 2018-28 LTP for the 19/20 year. Details are shown in Table 2.

Table 2

dFF Rates Requirement (\$000's)	LTP 2018/19	LTP 2019/20	dEAP 2019/20	Var to LTP 2019/20	Var to LTP 2018/19
Sewerage	(2,503)	(2,543)	(2,485)	58	18
Water	(1,949)	(1,989)	(1,804)	184	145
Metered Water Rate	(750)	(799)	(881)	(82)	(131)
Targeted Services	(345)	(370)	(378)	(8)	(33)
District Development Rate	(330)	(341)	(346)	(5)	(16)
Piopio Retirement Village Contribution	(16)	(16)	(16)	(0)	(1)
Roads and Footpaths	(5,380)	(5,298)	(5,048)	250	332
Solid Waste Management	(767)	(951)	(858)	93	(91)
Solid Waste Collection	(206)	(211)	(205)	5	0
Stormwater	(406)	(412)	(455)	(42)	(49)
Marokopa Community Centre	(4)	(4)	(4)	0	0
<b>Total Forecast Targeted Rates and Service Charges</b>	<b>(12,654)</b>	<b>(12,933)</b>	<b>(12,479)</b>	<b>453</b>	<b>174</b>
UAGC	(3,355)	(3,639)	(3,464)	174	(109)
General Rates	(4,046)	(4,102)	(4,594)	(493)	(548)
<b>Total Forecast Rates Requirement</b>	<b>(20,055)</b>	<b>(20,673)</b>	<b>(20,538)</b>	<b>135</b>	<b>(483)</b>
Percentage Change		3.08%		-0.65%	2.41%

- 3.6 Total public debt is forecast to be lower than the forecasts contained in the 2018-28 LTP and Council reserves are expected to be higher than the LTP forecast.
- 3.7 Table 3 shows details how the draft Financial Forecasts for the dEAP 19/20 stack up against the parameters in Council's Financial Strategy.

Table 3

Forecast Financial Ratios	LTP 2018/19	LTP 2019/20	dEAP 2019/20
Total Borrowing costs will not exceed 10% of Total Revenue	8%	8%	6%
Net interest to Total Revenue will not exceed 20%	8%	8%	6%
Total Borrowings will not exceed 20% of Total Assets	13%	13%	12%
Net debt will not exceed 170% of total revenue	143%	138%	124%
Net interest will not exceed 20% of annual rates	13%	13%	10%
Total Rates Revenue will be limited to an average of 75% of Total Operating Expenditure	67%	69%	68%
Total Rates increases will be limited to a 'cap' of LGCI plus 2% = 4.3%		3.08%	2.41%

- 3.8 The previous subsections show that there are no material or significant variations in the proposals, costs or funding in the draft EAP 2019/20 from those contained in the corresponding year of the 2018-28 LTP, therefore no consultation with the community is required.
- 3.9 The final draft Exceptions Annual Plan 19/20 document will be prepared following this meeting, subject to Council feedback and will be presented to Council for adoption at its meeting in May 2019.

## Considerations

### 4.1 Risk

- 4.2 There is a public perception risk in not consulting, in that the community may not agree with Council's assessment that the changes to the 2019-20 EAP are not material or significant. However, for the proposed 2019-20 EAP this risk is considered to be low.
- 4.3 It is considered unlikely that the view of "no significant or material changes" would be challenged or if it was then that it would be successful, where the levels of service are unchanged, most of the changes to the work programme are in the timing of projects that have already been consulted on, and where forecast reserves are higher than anticipated, and debt levels and proposed rates are lower than forecast.
- 4.4 Further to this, as there is no consultation on the EAP with the community, Council is able to adopt the 2019-20 EAP earlier than usual.

5.1 **Consistency with Existing Plans and Policies**

5.2 Whilst there are some variances to the draft Financial Forecasts for the draft 2019-20 EAP with the forecasts contained in the corresponding year of the 2018-28 LTP, the variations are not considered to be material.

6.1 **Significance and Community Views**

6.2 Section 78 of the LGA requires Council to, in the course of its decision making, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter. Council's decisions on the 2019/20 EAP will be communicated with the community and all information will be made available.

**Recommendation**

7.1 It is recommended that Council are not required to consult on the 2019-20 Draft Exceptions Annual Plan, as the variations to the forecasts contained in the corresponding year of the 2018-28 LTP are not material or significant.

**Suggested Resolutions**

- 1 The business paper on 2019/20 Draft Exceptions Annual Plan – Significance of Variations be received.
- 2 Council consult/not consult on the 2019/20 Draft Exceptions Annual Plan.



**VIBHUTI CHOPRA**  
**GROUP MANAGER – CORPORATE SERVICES**

Document No: A421472

**Report To: Council**



**Meeting Date:** 26 March 2019

**Subject:** DC Tynan Trust – Exemption as a Council Controlled Organisation

**Type:** Decision Required

## Purpose of Report

- 1.1 The purpose of this business paper is for Council to consider the exemption of the DC Tynan Trust from being a Council Controlled Organisation under the Local Government Act 2002 (LGA 2002).

## Background

- 2.1 The DC Tynan Trust was established in 1982 by Daniel Tynan Estate. The purpose of the Trust is to provide financial assistance to community organisations involved in social welfare, the maintenance and advancement of education and the provision of recreational facilities of benefit to Te Kuiti residents.
- 2.2 The current Trustees are Janene New, Diane Forgeson, Terry Davey, Guy Whitaker.
- 2.3 The Trust currently has accumulated funds of approximately \$211,958.90 as at 31 March 2018.
- 2.4 The capital funds of the Trust are held in investment and the income from the investment is available for allocation to community organisations. The Trustees meet annually to review applications received and at their discretion, allocate funds to applicants.

## Commentary

- 3.1 The Trust meets the definition of a Council Controlled Organisation (CCO) under the LGA 2002 because the power to appoint and remove trustees is vested with the Council.

- 3.2 Section 6 of the LGA 2002 states that

*In this Act, unless the context otherwise requires,—*

***council-controlled organisation*** means a council organisation that is—

(a) a company—

(i) *in which equity securities carrying 50% or more of the voting rights at a meeting of the shareholders of the company are—*

- (A) *held by 1 or more local authorities; or*  
 (B) *controlled, directly or indirectly, by 1 or more local authorities;*  
*or*

(ii) *in which 1 or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or*

(b) *an entity in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons,—*

(i) *control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the entity; or*

(ii) *the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the entity*

3.3 As a Council Controlled Organisation additional requirements are imposed on the Trust including:

- The requirement to issue a Statement of Intent that complies with Schedule 8 of the LGA 2002,
- Submit to Council its performance monitoring in relation to its Statement of Intent and Council's objectives for the Trust,
- Submit a half yearly report, which must include information required to be included by its Statement of Intent.
- Submit an audited annual report, which must enable the reader to assess performance against the Statement of Intent and which must be prepared in accordance with generally accepted accounting standards,
- Consolidation of the Trust into the group financial statements of the Council,
- Change of balance date from 31 March to 30 June.

3.4 Under Section 7(3) of the Local Government Act 2002, the Council may exempt the Trust from being classified as a Council Controlled Organisation by resolution. Council must take into account the nature and scope of activities and costs and benefits to the community, the Trust and Council.

3.5 Once granted, the Council must review the exemption at least every three years but Council may revoke the exemption at any time.

3.6 The requirements imposed by legislation on a CCO would be onerous for the Trust particularly given its size and nature.

3.7 The benefits of an exemption would be removal of compliance requirements of a CCO thereby saving administrative costs and time for the Trust as well as Council. This would benefit the community by enabling the potential costs to be available for the betterment of the community instead.

3.8 The exemption was last reviewed by Council in April 2016 and Council had resolved to exempt the DC Tynan Trust from being classified as a Council Controlled Organisation.

- 3.9 It should be noted that as an exempted organisation there would be no independent audit of the Trust's financial statements. However the Trust, given its nature, is considered to be low risk.

### Recommendation

- 4.1 Council resolve to exempt the DC Tynan Trust from being classified as a Council Controlled Organisation under Section 7(3) of the Local Government Act 2002.

### Suggested Resolutions

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



VIBHUTI CHOPRA  
**GROUP MANAGER – CORPORATE SERVICES**

Document No: A424323

**Report To: Council**



**Meeting Date:** 26 March 2019

**Subject:** **Setting the 2019/20 Fees and Charges and adoption of Statement of Proposal for Consultation**

**Type:** Decision Required

### Purpose of Report

- 1.1 The purpose of this business paper is for Council to resolve to set Fees and Charges for the 2019/20 year and to review and adopt the Statement of Proposal for Consultation, where fees and charges require consultation before adoption.

### Background

- 2.1 The setting of Fees and Charges (FCs) by the Waitomo District Council (WDC) is defined by multiple sources of legislation. This is largely covered by the Local Government Act 2002, Resource Management Act 1991, Sale and Supply of Alcohol Act 2012, Food Act 2014, Dog Control Act 1996 and the Building Act 2014.
- 2.2 Fees and Charges are one mechanism Council has to fund operating expenses related to the cost of activities, where people can be identified and charged.
- 2.3 The Councils Revenue and Financing Policy provides information on the funding sources of which FCs is one, for functions such as Dog Control, or Building Control or Landfill Management, carried out by the Council on behalf of the community.
- 2.4 FCs are one funding source evaluated as part of the construction of the annual planning and budgeting process. This process enables Council with an opportunity to re-evaluate annually the operating environment.
- 2.5 Council has two methods for the setting of future FCs. Council is able to set some fees without consultation, under legislation. Where legislation requires, Council have to resolve to adopt fees and charges for consultation, undertake a consultation process and then formally adopt the FCs.

### Commentary

- 3.1 An annual review of the 2019/20 FCs has been undertaken by staff and the outcome of this review has been that some FCs need to be changed for the 2019/20 year.
- 3.2 The proposed FCs for 2019/20 are separated into two parts – those that require consultation in case of change and those that can be adopted by Council resolution. There are Fees and Charges which are required to be publically consulted on before adoption as per Section 82 and 150 of the Local Government Act 2002 are included within the attached Statement of Proposal – Fees and Charges 2019/20 in **Attachment A**.

3.3 **Attachment B** contains FCs that can be adopted by Council resolution (without consultation) to take effect from 1 July 2019.

### 3.4 Fees and Charges to be adopted for Consultation with the Community

3.5 A summary of the changes to FCs which require consultation under legislation are as follows:

#### 3.6 Building Consent

3.6.1 A series of minor wording amendments are proposed for clarification.

3.6.2 Two new fees have been added for 'exemption from requirement to carry out seismic work' and 'application for waivers or modifications restricting access to residential pools'.

#### 3.7 Land Information Memorandum (LIM)

3.7.1 A new fee has been added to enable Council to recover administration costs for partial processing of a LIM.

#### Animal and Dog Control

3.7.2 Four new fees have been added for dog collars. In addition, some minor wording amendments to existing fees have been included to provide clarification.

#### 3.8 Resource Management

3.8.1 Minor wording amendments to existing fees have been included to provide clarification.

3.8.2 Increases are proposed to the 'Deemed Permitted Boundary Activities' and 'Marginal or Temporary rule breaches or exemptions' fees. The fees are fixed charges and are proposed to be increased to recognize the actual costs to Council to process these application types.

#### 3.9 Food Act

3.9.1 One new fee is proposed. This fee is to enable Council to recover administration costs for partial processing of a food related application where a refund is sought.

#### 3.10 Environmental Health and Alcohol Licensing

3.10.1 One new fee is proposed. This fee is to enable Council to recover administration costs for partial processing of an alcohol related application where a refund is sought.

### 3.11 Fees and Charges to be adopted by resolution

3.12 The changes to the Fees and Charges which can be adopted by Council without consultation are as follows:

#### 3.13 Portaloos Hire

3.13.1 The deletion of the port-a-loo services fees. Removal is sought as a consequence of services being uneconomical to provide. An alternative service is in place at the Otorohonga Hire Center.

### 3.14 Waitomo District Library Fees

3.14.1 The inclusion of a two new fees to enable to enable the Council in delivery of its services to the community which are - Kit Collection (3 days) and Temporary Membership Bond

3.14.2 There are also minor changes to the FCs in order to more accurately reflect the cost of the services provided.

### 3.15 Cemeteries

3.15.1 Cemeteries increases are CPI related. Increases have occurred to ensure the cost of services provided keep pace with costs incurred by Council.

### 3.16 Community Halls

3.16.1 Community Halls FCs have changed to reflect actual cost recovery (like cleaning) and a minimum bond requirement has been set.

### 3.17 Parks and Reserves

3.17.1 Parks and Reserves increases are CPI related. Increases have occurred to ensure that the cost of providing services are kept inline with the actual costs incurred.

### 3.18 Corporate Services Fees

3.18.1 A series of new and revised set of Geographical Information Systems "GIS" fees have been developed. This enables Council to provide the full range of services and recover staffing and material costs.

### 3.19 Storm Water and Water Supply

3.19.1 There are some changes in the FCs mainly to recover actual cost of service provision.

### 3.20 Trade Waste

3.20.1 Minor wording changes and an increase has been made to the FCs. The increase is in order to recover the cost of providing the services.

### 3.21 Solid Waste Management

3.21.1 The increases in FCs for Solid Waste services have been made to allow for cost recovery.

3.22 In the case of FCs requiring public consultation, the special consultative process has to be carried out. This process will involve:

- Adoption of the Statement of Proposal for Consultation
- Consultation Period of 1 month
  
- An opportunity for people to present their views in person at a Council Hearing
- Councils Deliberations and adoption of Fees and Charges for the year commencing 1 July 2019.

3.23 The proposed timetable for consultation and the adoption process is:

Key Milestone	Planned timeframe
<b>Council Meeting</b> to adopt the proposed changes to the 2019/20 fees and charges under the Food Act and the Resource Management Act for public consultation	26 March 2019
<b>Consultation Period</b>	4 April – 6 May 2019
<b>Hearing</b> of submitters who wish to speak to their submission	14 May 2019
<b>Council Meeting</b> for deliberations and adoption	14 May 2019

## Considerations

### 4.1 Risk

4.2 The Council does not meet its legislative requirements of consultation and the adoption of Fees and Charges for the 2019/20 year.

### 5.1 Consistency with Plans and Policies

5.2 There is nothing within this paper that is inconsistent with Councils plans and policies.

### 6.1 Significance and Community Views

6.2 Community consultation is proposed on changes to Fees and Charges under the Local Government Act 2002, the Resource Management Act 1991, Building Act 2004, Food Act 2014 and Sale and Supply of Alcohol Act 2012. This consultation is scheduled from the 4 April 2019 to the 6 May 2019. Council will take community views into account as part of the process.

## Suggested Resolutions

1. The business paper on Setting the 2019/20 Fees and Charges and adoption of the Statement of Proposal for consultation be received.
2. The Chief Executive be delegated authority for any editorial, formatting, layout or font changes required to the 2019/20 Fees and Charges Statement of Proposal.
3. Council adopt the attached Statement of Proposal for the Fees and Charges 2019/20 for public consultation from 4 April 2019 to 6 May 2019.
4. Council adopt the Fees and Charges for 2019/20 that do not require public consultation for implementation from 1 July 2019.

VIBHUTI CHOPRA  
**CORPORATE SERVICES GROUP MANAGER**

20 March 2019

Attachments: Attachment A: Draft Statement of Proposal Fees and Charges 2019/20 (A424688)  
Attachment B: Proposed Fees and Charges 2019/20 for Council Resolution (A424690)



# Draft Statement of Proposal

## Fees and Charges for 2019/20

### May 2019

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# Statement of Proposal

## Proposed Fees and charges for 2019/20

### Reasons for the Proposal

Waitomo District Council sets fees and charges for the provision of certain goods and services to the community.

We apply user fees and charges to fund the operating expenses of activities where the people who benefit can be directly identified and charged. This is a 'user-pays' basis to ensure equity so that people who directly get the benefit of a service pay for the service as well.

Council has carried out an annual review of the fees and charges which provides the opportunity to reflect changing circumstances in the operating environment. A review of the existing fees and charges (2018/19) has been completed which has resulted in some changes to the fees and charges proposed for the 2019/20 year.

Council is seeking public feedback on proposed changes to fees for functions under the Local Government Act 2002, the Food Act 2014 (the Food Act), the Resource Management Act 1991 (the Resource Management Act), Sale and Supply of Alcohol Act 2012 and the Building Act 2014. The **schedule of Fees and Charges** requiring change under the Acts mentioned above are included in this proposal.

### Council's Revenue and Financing Policy

When setting the fees and charges a number of considerations are kept in mind, including indirect benefit to the community, distribution of benefits and ability to pay. These considerations are explained in full in Council's Revenue and Financing Policy which can be found under the Policy section of Publications of the Councils website [www.waitomo.govt.nz](http://www.waitomo.govt.nz)

Council's Revenue and Financing Policy provides information on funding sources that are available to Waitomo District Council and provides the rationale for the use of each funding source. Fees and charges are a legitimate source of funding activities (or parts of activities).

Fees and charges are set according to Council's Revenue and Financing Policy where:

- It is assessed that the level of benefit to identified user groups justifies the seeking of charges; and
- There are identifiable and distinct user groups identified by Council's Revenue and Financing Policy; and
- User fees represent the fairest method to seek a contribution from identified users.

The Revenue and Financing Policy includes the percentage of fees and charges Council aims to collect for the relevant activity. The actual fees and charges collected by Council will vary dependent on a number of external factors.

<b>Compliance</b>		
<b>Description</b>	<b>2018/19 Fee or charge (\$)</b>	<b>2019/20 Fee or charge (\$)</b>
<b>Building consent fees</b>		
Building Consent cost includes Inspection fee and Code Compliance Certificate All fees are payable on application		
<del>Certificate of Title</del> Record of title	30 .00	30 .00
<b>Production of Project Information Memorandum (PIM)</b>	180 .00	180 .00
<b>Solid Fuel Heaters</b>		
Freestanding ( 1 inspection)	500 .00	500 .00
Insert (2 inspections)	690 .00	690 .00
<b>Minor Works (1 inspection)</b>	500 .00	500 .00
Garden Sheds		
Basic Warning System		
Marquees		
Plumbing or Drainage		
<b>Minor Building Works (2 inspections)</b>	870 .00	870 .00
Carports		
Demolitions		
Decks		
Swimming Pools		
<b>Other Buildings (2 Inspections)</b>	870 .00	870 .00
Garages		
Hay Barns		
Implement Sheds		
Bridges		
<b>Detached habitable buildings, no plumbing or drainage (5 inspections)</b>	1,480 .00	1,480 .00
Sleep Out		
Office		
Studio		
Additions/alterations up to 30m <sup>2</sup>	30 .00	30.00
Internal alterations to dwellings		
<b>Detached habitable buildings, with plumbing or drainage (6 inspections)</b>		1,730 .00
Sleepout with toilet/shower		
Additions/alterations up to 360m <sup>2</sup> with plumbing and drainage		
Internal alterations to dwellings		
<b>Additions/alterations <del>30m<sup>2</sup></del> up to 60m<sup>2</sup> (6 inspections)</b>	1,730 .00	1,730 .00
<b>Other new buildings up to 60m<sup>2</sup> excluding dwellings and commercial buildings (6 inspections)</b>	1,730 .00	1,730 .00
<b>Note: For other building work over 60m<sup>2</sup> the below dwelling and commercial/ industrial fees apply.</b>		

Compliance		
Description	2018/19 Fee or charge (\$)	2019/20 Fee or charge (\$)
Dairy Sheds (3 inspections)	1,600 .00	1,600 .00
Re-sited Dwellings (3 inspections)	1,850 .00	1,850 .00
<b>Re-site dwellings with additions or alterations (includes 6 inspections)</b>		<b>2,870.00</b>
Dwelling Single Storey up to 100m <sup>2</sup> (8 inspections)	3,030 .00	3,030 .00
Dwelling Single Storey up to 250m <sup>2</sup> (9 inspections)	3,280 .00	3,280 .00
Dwelling Single Storey larger than 250m <sup>2</sup> (9 inspections)	3,430 .00	3,430 .00
Dwelling Two Storey or more up to 250m <sup>2</sup> (9 inspections)	3,500 .00	3,500 .00
Dwelling Two Storey or more larger than 250m <sup>2</sup> (9 inspections)	3,800 .00	3,800 .00
Commercial /Industrial up to 300m <sup>2</sup> (9 inspections)	4,010 .00	4,010 .00
Commercial/Industrial - Basic kit-set type building, no services or internal fit-out (3 inspections)	1,700 .00	1,700 .00
Commercial/Industrial larger than 300m <sup>2</sup> (9 inspections)	4,510 .00	4,510 .00
Commercial - Internal Alterations (3 inspections)	1,700 .00	1,700 .00
<b>Inspection Fee (compliance inspection/swimming pool etc.) per inspection</b>	190 .00	190 .00
Amendments	340 .00	340 .00
<b>Compliance Schedules</b>		
New Compliance Schedule (Section 102 Building Act 2004)	280 .00	280 .00
Amendments to existing Compliance Schedule (Section 106 and 107 Building Act 2004)	280 .00	280 .00
<b>Request for Extension of Time for a Building Consent – work start or CCC</b>	160 .00	160 .00
<b>Application for exemption from requirement to carry out seismic work under section 133AN – includes 1 inspection.</b>		<b>679.00</b>
<b>Applications for waivers or modifications to means of restricting access to residential pools under section 67A – includes 1 inspection.</b>		<b>679.00</b>
Processing of Section 71 / 77 Certificate	200.00	200 .00
Plus on-charge of Solicitors fee to prepare and register certificate. (Actual Cost)		Actual Cost
<b>Certificate of Acceptance - Section 41(c)</b> Any building work in respect of which a building consent cannot practicably be obtained in advance because the building work has to be carried out urgently.	740.00	740 .00

<b>Compliance</b>		
<b>Description</b>	<b>2018/19 fee or charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
<b>Certificate of Acceptance - Section 96(1) (a)</b> (i) the work was done by the owner or any predecessor in title of the owner; and (ii) a building consent was required for the work but not obtained . (In addition to the fees that would have been payable had the owner or previous owner applied for a building consent before carrying out the building work.)	1,180 .00 (plus any relevant building consent fees)	1,180 .00 (plus any relevant building consent fees)
<b>Certificate of Public Use (1 inspection)</b>	550.00	550 .00
<b>Notice to Fix (1 inspection)</b>	450.00	450 .00
<b>Accreditation Levy (consents valued over \$20,000)</b>	1 .10 per 1,000	1 .10 per 1,000
<b>Building Research Levy</b> For every building consent with an estimated value of \$20,000 and over, \$1 .00 per \$1,000 is payable	1 .00 per 1,000	1 .00 per 1,000
<b>MBIE Levy</b> For every building consent with an estimated value of \$20,444 and over, \$2 .01 per \$1,000 is payable	2 .01 per 1000	2.01 per 1000
<b>Lapsed or Cancelled Building Consents</b> Refunds will be paid to the person(s) who paid the fees on application.	Refund of unused fees less	Refund of unused fees less
<b>Administration fee for refund on cancelled or lapsed consents</b>		50 .00
<b>Peer Review of Specific Designs by External Agents</b>		
<b>Any additional costs incurred in processing a building consent shall be recoverable on actual and reasonable basis.</b>	160 .00 per hour	160 .00 per hour
<b>Applying for an exemption from requiring a building consent</b>	250 .00	250 .00
<b>Other Regulatory Fees and Charges</b>		
Overseas investment certificates – for determining and issuing	300.00	300 .00
Section 348 – Right of way (ROW) application – processing application for ROW under the Local Government Act 1974	600.00	600 .00
Sale and Supply of Alcohol Certificates <b>for Building Certification</b>	200.00	200 .00
<b>Certificate Record of Title search</b>	30.00	30 .00
<b>Land Information Memorandum (LIM)</b>	300.00	300 .00
<b>Administration Fee for refund on cancelled LIM (note where substantial work has been completed on the LIM a refund will not be given; where substantial work has not been completed , the LIM fee will be refunded minus the administration fee).</b>		<b>50.00</b>
<b>Animal and Dog Control Fees</b> All Fees are set in accordance with the Dog Control Act 1996 and by Council <b>Resolution.</b>		
Urban Fee (for dogs in an urban area which comply with the provisions of Dog Control Act 1996)		115 .00
Spayed or Neutered Dogs in the Urban Area		90 .00

Compliance		
Description	2018/19 fee or charge (\$)	2019/20 fee or charge (\$)
Selected Owner (Dog Control Policy) Dogs		70.00
<del>Note: The penalty for non-payment of dog registration within the required timeframe for a selected owner dog includes the loss of selected owner status.</del>		
Rural Dogs		45.00

Compliance		
Description	2018/19 fee or charge (\$)	2019/20 fee or charge (\$)
Late registration fee	50% of the fee that would have been payable if that dog had been registered on the first day of the registration year.	50% of the fee that would have been payable if that dog had been registered on the first day of the registration year.
Dangerous Dogs registration fee	150% of the fee that would apply if the dog were not classified as a Dangerous Dog.	150% of the fee that would apply if the dog were not classified as a Dangerous Dog.
Replacement Registration Tag	5.00	5 .00
<b>Impounding (Poundage) Fees</b>		
Seizure Fee (per dog seized)	65.00	65 .00
First Impounding (registered dog)	70.00	70 .00
First Impounding (unregistered dog)	100.00	100 .00
Second Impounding	138.00	138 .00
Third and subsequent impounding	200.00	200 .00
Plus Sustenance fees - per day	15.00	15 .00
<b>Re-Homing Fee</b>	Re-homing of unwanted/unclaimed dogs (unregistered) dogs will be the applicable	Re-homing of unwanted/unclaimed dogs (unregistered) dogs will be the applicable
The owner of an impounded dog that is not claimed or signed over to Council remains liable for all impounding and sustenance fees irrespective of the fate of the dog.		
Surrender/disposal fee (in addition to applicable impounding charges and sustenance)	40.00	40 .00
Micro-chipping Fee	25.00	25 .00
Consent to keep more than 2 dogs in the urban area. <del>(fees will be effective from 1 July 2015)</del> Provided that if more than one inspection is required prior to approval, a further fee of \$30.00 will apply per inspection.	30.00	30 .00
<b>Stock Poundage Fee - Excluding dogs</b>		
First impounded animal	110.00	110 .00
Per animal thereafter (impounded at the same time as the first impounded animal)	40.00	40 .00

## Compliance

Description	2018/19 fee or charge (\$)	2019/20 fee or charge (\$)
<b>Subsequent Impounding</b> – within any 24 month period involving animals owned by the same person/organisation	220 .00 plus 40 per additional animal	220 .00 plus 40 per additional animal
<b>Driving charges</b> – leading, driving or conveying stock (pursuant to section 14 of the Impounding Act 1955)	125 per hour per officer, plus mileage at local government rates , plus any other reasonable costs incurred, including the full costs of any after-	125 per hour per officer, plus mileage at local government rates, plus any other reasonable costs incurred, including the full costs of any after-hours response
Grazing (per day) – horses, cattle, mules, ass, deer, pigs	8.00	8.00
Grazing (per day) – sheep, goats, and any others	2 .00 plus costs of any hard/ supplementary feeds i .e. hay, grain	2 .00 plus costs of any hard/ supplementary feeds i .e. hay, grain
Advertising costs (pursuant to the Impounding Act 1988) (Actual Costs)		

Environmental Health and Alcohol Licensing		
Description	2018/19 fee or charge (\$)	2019/20 fees or charges (\$)
<b>Health Act Licence Fees</b>		
<b>Amusement Device Permits (Section 11 Amusement Device Regulations 1978)</b>		
1. First Device	11.50	11.50
2. Each additional Device	2.30	2.30
<b>Food Premises Health (Registration of Premises) Regulations 1966</b>		
Low Risk Premises	450.00	450.00
High Risk Premises	570.00	570.00
Any additional inspections required due to non-compliance	150.00	150.00
<b>Fees for Functions under the Food Act 2014</b>		
All administration and verification activities including annual verification, reporting, non-conformance visits and any activity not specified in the schedule below	160.00 per hour	160.00 per hour
Application for new registration of Template Food Control Plan	180.00 (plus hourly rate of 160 after the first hour)	180.00 (plus hourly rate of 160 after the first hour)
Application for renewal of registration of Template Food Control Plan	160.00 (plus hourly rate of 160 after the first hour)	160.00 (plus hourly rate of 160 after the first hour)
Application for amendment of registration of Template Food Control Plan	160.00 (plus hourly rate of 160 after the first hour)	160.00 (plus hourly rate of 160 after the first hour)
Voluntary suspension of Template Food Control Plan	85.00 (plus hourly rate of 160 after the first hour)	85.00 (plus hourly rate of 160 after the first hour)
Application for new registration of premises under a National Programme	120.00 (plus hourly rate of 160 after the first hour)	120.00 (plus hourly rate of 160 after the first hour)
Application for renewal of registration of premises under a National Programme	110.00 (plus hourly rate of 160 after the first hour)	110.00 (plus hourly rate of 160 after the first hour)
Voluntary suspension of National Programme	85.00 (plus hourly rate of 160 after the first hour)	85.00 (plus hourly rate of 160 after the first hour)
Issue of improvement notice, or review of an improvement notice	150.00 (plus hourly rate of 160 after the first hour)	150.00 (plus hourly rate of 160 after the first hour)

## Environmental Health and Alcohol Licensing

Description	2018/19 fee or charge (\$)	2019/20 fees or charges (\$)
Application for statement of compliance	150 .00 (plus hourly rate of 160 after the first hour)	150 .00 (plus hourly rate of 160 after the first hour)
Copy of Food Control Plan folder and documents	25 .00	25 .00
Cancelling an audit or verification within 24 hours of the scheduled date and time of audit	100 .00	100 .00
Administration fee for refund on cancelled applications pursuant to the Food Act (note where substantial work has been completed on the application a refund will not be given, where substantial work has not been completed, the application fee will be refunded minus the administration fee)		50.00
<b>Hawkers and Pedlars</b> ( <i>Public Places Bylaw Clause 14</i> )		
Hawkers and Pedlars	60 .00	60.00

Environmental Health and Alcohol Licensing		
Description	2018/19 fee or charge (\$)	2019/20 fee or charge
Itinerant Traders	170 .00	170 .00
Mobile Shops	170 .00	170 .00
<b>Impounding of Stereo</b> <i>Impounding Charges for Stereo (RMA 1991 sec 336). Note: Impounded stereo will be sold after six months if not claimed and impounding fees not paid.</i>	180 .00	180 .00
<b>Licensing – Alcohol</b> (Ref: Sale and Supply of Alcohol (Fees) Regulations 2013)		
New Licenses, Renewals and Variations		
Off/On/Club Application Fee - Very Low Risk	368 .00	368 .00
Off/On/Club Application Fee - Low Risk	609 .50	609 .50
Off/On/Club Application Fee - Medium Risk	816 .50	816 .50
Off/On/Club Application Fee - High Risk	1,023 .50	1,023 .50
Off/On/Club Application Fee - Very High Risk	1,207 .50	1,207 .50
<b>Annual Fees</b>		
Off/On/Club Application Fee - Very Low Risk	161 .00	161 .00
Off/On/Club Application Fee - Low Risk	391 .00	391 .00
Off/On/Club Application Fee - Medium Risk	632 .50	632 .50
Off/On/Club Application Fee - High Risk	1,035 .50	1,035 .50
Off/On/Club Application Fee - Very High Risk	1,437 .50	1,437 .50
Managers Certificate - New and Renewal	316 .25	316 .25
Temporary Authority	296 .70	296 .70
Special Licences		
Class 1	575 .00	575 .00
Class 2	207 .00	207 .00
Class 3	63 .25	63 .25
Administration fee for refund on cancelled sale and supply of alcohol applications (note where substantial work has been completed on the application a refund will not be given, where substantial work has not been completed, the application fee will be refunded minus the administration fee)		50.00
<b>Licensing – Other</b>		
Transfer of Certificates of Registration or Licence	90 .00	90.00
Offensive Trades - Registration Fees	450 .00	450.00
Saleyards - Registration Fees	450 .00	450.00
Hairdressers - Registration Fees	450 .00	450.00
Funeral Director	40 .00	40.00

<b>Environmental Health and Alcohol Licensing</b>		
<b>Description</b>	<b>2018/19 fee or charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
Mortuary Premises	450.00	450.00
Camping Grounds	450.00	450.00
Skateboarding impounding fee	60.00	60.00
Application for Lease of Airspace	100.00	100.00
Lease of Airspace	Charge will be assessed on a site	Charge will be assessed on a site
<b>Parking Infringement Fees</b>		
<b>Excess Parking</b> - For parking on a road in breach of the provisions of Waitomo District Council's Land Transport Bylaw 2015, in excess of a period fixed by the bylaw or otherwise where the excess is:		
Not more than 30 minutes	12.00	12.00
More than 30 minutes but not more than 1 hour	15.00	15.00
More than 1 hours but not more than 2 hours	21.00	21.00
More than 2 hours but not more than 4 hours	30.00	30.00
More than 4 hours but not more than 6 hours	42.00	42.00
More than 6 hours	57.00	57.00
<b>Other Parking Offences</b>		
Parking on designated bus stop	40.00	40.00
Parking on designated loading zone	40.00	40.00
Parking on a footpath	40.00	40.00
Parking contrary to parking signage	40.00	40.00
Parking on ornamental verge	40.00	40.00
Parking within 1 m of a vehicle entrance	40.00	40.00
Parking on or within 6m of an intersection	60.00	60.00
Inconsiderate parking	60.00	60.00
Double parking	60.00	60.00
Parking on a yellow broken line	60.00	60.00
Parking in a designated space for disabled persons	150.00	150.00
<b>Towage Fees</b>		
Towage fees are additional to the above fines.	Actual cost	Actual Cost

Environmental Health and Alcohol Licensing		
Description	2018/19 fee or charge (\$)	2019/20 fees and charges (\$)
<b>Litter Infringement Fee</b>		
Litter, of less than or equal to 1 litre, left in a public space, or on private land, without the occupier's consent - First Offence	100 .00	100.00
Litter, of less than or equal to 1 litre, left in a public space, or on private land, without the occupier's consent - Second or Subsequent Offence within a Year	400 .00	400.00
Litter, of more than 1 litre and less than or equal to 20 litres, left in a public space, or on private land, without the occupier's consent <sup>1</sup> - First Offence	150 .00	150.00
Litter, of more than 1 litre and less than or equal to 20 litres, left in a public space, or on private land, without the occupier's consent - Second or Subsequent Offence within a Year	400 .00	400.00
Litter, of more than 20 litres and less than or equal to 120 litres, left in a public space, or on private land, without the occupier's consent <sup>2</sup> - First Offence	250 .00	250.00
Litter, of more than 20 litres and less than or equal to 120 litres, left in a public space, or on private land, without the occupier's consent - Second or Subsequent Offence within a Year	400 .00	400.00
Litter, of more than 120 litres left in a public space, or on private land, without the occupier's consent - First Offence	400 .00	400.00
Litter, of more than 120 litres left in a public space, or on private land, without the occupier's consent - Second or Subsequent Offence within a Year	400 .00	400.00
Hazardous or offensive litter left in a public space, or on private land without the occupier's consent - First Offence	400 .00	400.00
Hazardous <sup>3</sup> or offensive litter <sup>4</sup> left in a public space, or on private land without the occupier's consent - Second or Subsequent Offence within a Year	400 .00	400.00
<sup>1</sup> - 20 litres is the approximate maximum capacity of two standard supermarket bags in normal conditions <sup>2</sup> - 120 litres is the approximate maximum capacity of a standard mobile garbage bin in normal conditions (for example the red lid 'wheelie bin' used for domestic refuse collection in the Waitomo area) <sup>3</sup> - Hazardous litter includes broken glass, barbed wire, jagged metal, medicines, hazardous waste etc <sup>4</sup> - Offensive waste includes rotting food, animal remains, faeces including discarded nappies etc		

<b>Resource Management</b> <i>To be read in conjunction with the explanatory note for Resource Management fees and charges, found below</i>			
<b>Description</b>		<b>2018/19 fee or charge (\$)</b>	
<b>General</b>			
Pre application	Pre application meeting	Actual staff time	Actual staff time
Lodgement meeting	To lodge any consent	Actual staff time	Actual staff time
Pre-hearing meeting	For any meeting or mediation held (s99)	Actual staff time	Actual staff time
Joint subdivision and landuse	For any joint subdivision and land use consent application	Deposit 4,500 .00	Deposit 4,500.00
Limited notified consent	<b>Any</b> resource consent that requires limited notification	Deposit 6,500 .00	Deposit 6,500.00
Notified consent	<b>Any</b> resource consent that requires public notification	Deposit 10,000 .00	Deposit 10,000.00
<del>Activity Exemption</del> Deemed Boundary Activity (s87BA)	Consider and issue notice	Fixed 165.00	Fixed 350.00
Marginal or temporary rule breaches / <b>exemptions</b> (s87BB) <i>Note: please discuss this with Council's Planner prior to application</i>	Consider and issue notice (if applicable)	Fixed 165.00	Fixed 600.00
<b>Land use consents</b>			
Non notified	All land use consents, except as otherwise provided below	Deposit 1,000 .00	Deposit 1,000.00
Non notified	Boundary dispensation (side yard only)	Deposit 600 .00	Deposit 600.00
<b>Subdivision Consents</b>			
Non-notified	creating 9 lots or less where no road/reserves proposed	Deposit 2,500 .00	Deposit 2,500.00
Non-notified	Creating 10 lots or more, or any subdivision where a road/reserve is proposed	Deposit 3,500 .00	Deposit 3,500.00
<b>Subdivision processes (post approval)</b>			
Section 223 certification		250 .00	250.00
Section 224C certification		250 .00	250.00
Section 241	Cancellation/partial cancellation of amalgamation condition	Fixed 450 .00	Fixed 450.00
Section 221	Consent notice - preparation, authorisation, change or cancellation	Fixed 250 .00	Fixed 250.00
Cross lease	Amendments to flats plans	Deposit 600 .00	Deposit 600.00
Engineering	For inspections of any works for conditions, including checking engineering plans and any amendments	Actual staff time	Actual staff time

<b>Resource Management</b>			
<i>To be read in conjunction with the explanatory note for Resource Management fees and charges, found below</i>			
<b>Description</b>		<b>2018/19 fee or charge (\$)</b>	
<b>Other resource management activities</b>			
Section 127	Application to change or cancel condition(s) of consent (non-notified only, notified consents will be charged the relevant notification fee)	Deposit 1,000 .00	Deposit 1,000.00
Section 125/126	Applications for extensions of consent periods	Deposit 600 .00	Deposit 600.00
Section 124	Exercise of resource consent while applying for new consent	Deposit 1,500 .00	Deposit 1,500.00
Section 128-132	Review of consent conditions (non-notified only, notified consents will be charged the relevant notification fee)	Deposit 800 .00	Deposit 800.00
Section 134	Transfer of holders interest in a consent (fixed fee)	Deposit 150 .00	Deposit 150.00
Section 139A	Existing use right	Deposit 2,000 .00	Deposit 2,000.00
Section 138	Application to surrender a resource consent	Deposit 500 .00	Deposit 500.00
Section 139	Application for Certificate of Compliance	Deposit 1,000 .00	Deposit 1,000.00
Section 357	Objection pursuant to sections 357(A) or (B)	Deposit 450 .00	Deposit 450.00
NES	Confirmation of compliance with National Environmental Standard	Actual staff time	Actual staff time
Other	Any application pursuant to the RMA not listed elsewhere	Deposit 1,500 .00	Deposit 1,500.00
<b>Designations</b>			
Public or limited notified	Notice of Requirement for Designation	Deposit 10,000 .00	Deposit 10,000.00
Non-notified	Notice of Requirement for Designation	Deposit 5,000 .00	Deposit 5,000.00
Sections 181, 182	Requirement for alteration or removal/partial removal of designation	Deposit 1,500 .00	Deposit 1,500.00
Section 184/184A	Application to determine designation lapsing	Deposit 2,500 .00	Deposit 2,500.00
Section 180	Transfer of rights and responsibilities for designations	Deposit 1,500 .00	Deposit 1,500.00

<b>Resource Management</b>			
<i>To be read in conjunction with the explanatory note for Resource Management fees and charges, found below</i>			
<b>Description</b>		<b>2018/19 fee or charge</b>	<b>2019/20 fee or charge</b>
Sections 177, 178	Request to the requiring authority responsible for an earlier designation. Application to do anything which would prevent or hinder the public work or project	Deposit 600 .00	Deposit 600.00
Section 176	Application for outline plan	Deposit 650 .00	Deposit 650.00
Section 176A(2)	Waiver of requirement for outline plan	Deposit 150 .00	Deposit 150.00
<b>Heritage orders</b>			
Sections 189/189A, 196, 177	Requirement for a heritage order. Requirement for removal of heritage order. Request to requiring authority responsible for the earlier heritage order.	Deposit 1,500 .00	Deposit 1,500.00
<b>Plan Change application (to amend the District Plan)</b>			
1st schedule	Processing, considering and determining a private plan change application.	Deposit 30,000 .00	Deposit 30,000.00
<b>Compliance and monitoring</b>			
General	Administration, review, correspondence.	Actual staff time	Actual staff time
Inspections (excluding engineering)	To monitor progress with giving effect to any resource consent, and compliance with consent conditions.	150 per inspection	150 per inspection
Engineering	For any inspection required.	Actual staff time	Actual staff time
<b>Miscellaneous charges</b>			
Legal instruments	Search for easement documents, covenants, encumbrances, or any other document registered on Certificates of Title.	Actual staff time + LINZ costs	Actual staff time + LINZ costs
Affixing council's seal/authorising document	For administrative costs incurred in affixing council's seal and/or signature to any document where a charge is not otherwise listed.		Fixed 170.00
Variation/cancellations	Variation or cancellation of any legal document/ instrument not otherwise listed.		Fixed 450.00

<b>Resource Management</b>			
<i>To be read in conjunction with the explanatory note for Resource Management fees and charges, found below</i>			
<b>Description</b>		<b>2018/19 fee or charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
Public notice	Costs associated with public notices.	Actual staff time + advertisement fees	Actual staff time + advertisement fees
Signs	Affixing signs on site.	Fixed 35.00 per sign	Fixed 35.00 per sign
Delegated approvals	Staff decision on application, acting under delegated authority.	Actual staff time	Actual staff time
Bonds – excluding engineering	Preparation, release and signing of any bond (excluding engineering).	Fixed 300.00	Fixed 300.00
Bonds - engineering	Preparation, release and signing of any bond - engineering (roading and servicing works).	Fixed 400.00 per sign	Fixed 400.00 per sign
Consultants	The applicant will reimburse council for any fees paid by council to any consultants.	Actual consultant costs + actual costs	Actual consultant costs + actual costs
Noise control (for the return of equipment seized under the RMA)	For the return of equipment seized under the RMA.	Fixed 180.00	Fixed 180.00
<b>Hearings</b>			
Attendance	A charge will be made for the costs of all staff and/ or consultants required to attend a hearing.	Actual staff/ consultant time	Actual staff/ consultant time
Hearing by commissioner(s)	Where independent commissioner(s) preside.	Actual costs	Actual Costs
Hearings by commissioner(s) where requested pursuant to s100A of the RMA  Note: applies to applicants and Requiring Authorities	1. Where applicant requests (whether or not also requested by a submitter(s))	Actual costs to be paid by applicant	Actual costs to be paid by applicant

	<p>2. Where requested by a submitter(s):</p> <p>(a) The applicant shall pay the amount WDC estimates it would cost for the applicant to be heard and decided if the request was not made.</p> <p>(b) The submitter(s) who made the request will pay equal shares of any amount by which the cost of the application being heard/decided exceeds the amount payable by the applicant (i.e. in (a) above)</p>	Actual costs  As per 2(a) and (b)	Actual costs  As per 2(a) and (b)
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**Resource Management**

*To be read in conjunction with the explanatory note for Resource Management fees and charges, found below*

Description		2018/19 fee or charge (\$)	2019/20 fee or charge (\$)
Hearing by Council	A charge will be made per councillor, including time spent on site visits.	260 .00 + 204 .00 for each 1/2 hour or part thereof	260 .00 + 204 .00 for each 1/2 hour or part thereof
Postponement/withdrawal or cancellation	If the applicant fails to give a minimum of 5 working days written notice of a request for cancellation, withdrawal or postponement of a scheduled hearing.	Actual costs	Actual Costs
Venue	Hiring a venue for the hearing	Actual costs	Actual Costs
<b>Request for information/supply of resource management documents</b>			
Providing information	Any request to provide information in respect of the District Plan or any consent.	Actual staff time	Actual staff time
<del>Providing general advice-</del>	<del>Providing advice and considering proposed applications</del>	<del>Actual Staff Time-</del>	
Providing copies	Copying information relating to consents and Council's functions under section 35 of RMA and the supply of any document.	Actual staff time + photocopying costs	Actual staff time + photocopying costs
Waitomo District Plan	Full printed copy of text and planning maps.	150 .00 per copy	150 .00 per copy
Photocopying – charged as per Council’s corporate rate			
<b>Officer’s hourly charge out rates</b>			
Group Manager Compliance		190 .00 per hour	190 .00 per hour
Managers – any other		175 .00 per hour	175 .00 per hour
Principal / Senior Planner		175 .00 per hour	175 .00 per hour
Planner		165 .00 per hour	165 .00 per hour
Engineer		160 .00 per hour	160 .00 per hour
Technical staff – any other		160 .00 per hour	160 .00 per hour
Team Leader Monitoring and Compliance/ Officer		150 .00 per hour	150 .00 per hour
Administrator (any) and any other staff member not listed		95 .00 per hour	95 .00 per hour
Consultant		Actual costs	Actual costs
<b>Mileage</b>			
For each kilometre travelled		1 .20 per km	1.20 per km

Hazardous Activities and Industries List (HAIL) determinations	
Investigation fee	Fixed 80.00

## Resource Management - explanatory note

### Resource management fees and charges – explanatory note

These fees and charges become operative on 1 July 2018 and will apply for all work carried out and decisions issued on or after 1 July 2018, irrespective of when the application was lodged with the Council.

#### Fixed charges

1. The charges set out in this schedule are charges which are fixed pursuant to Section 36 of the Resource Management Act 1991 (RMA).

All such charges are stated inclusive of GST at 15%, however should the GST rate be amended, GST will be charged at the prevailing rate.

2. All fixed charges are payable in full in advance. Pursuant to Section 36(7) of the RMA, the Council will not perform the action or commence processing the application to which the charge relates until it has been so paid.

**Note:** Documentation or certificates will not be issued until payment of charges have been cleared.

#### Additional charges

Where a fixed charge is in any particular case inadequate to enable the Council to recover its actual and reasonable costs in respect of the matter concerned, the Council will require the applicant to pay an additional charge to the Council.

The following may also be included as additional charges:

- a) If it is necessary for the services of a consultant to be engaged by the Council (including their attendance at any hearing or meeting) then the consultant's fees will be charged in full to the applicant as an additional charge;
- b) If any legal fees are incurred by the Council in relation to legal advice obtained for any particular application, including any fees incurred if Council's solicitor is required to be present at any hearing, mediations or meetings, these fees will be charged in full to the applicant as an additional charge;
- c) If any Commissioner hearing fees and associated costs are incurred in considering and determining any particular application, these fees will be charged in full to the applicant as an additional charge.

#### Purpose

The purpose of each fixed charge and any additional charge is to recover the actual and reasonable costs incurred by the Council in receiving and processing applications and in issuing decisions and monitoring performance of conditions.

#### Charge-out rates for council officers and mileage

Charge out rates for Council officers are set out in this schedule and:

- a) Are fixed charges;
- b) If reference is made in the schedule to actual staff time, it will be charged in accordance with the relevant hourly charge-out rates;
- c) The charge-out rates for Council officers and for mileage will apply to all matters listed in the Schedule so that:
  - o if the fixed charge which has been paid in advance is greater by more than \$20.00 than the actual and reasonable costs incurred by the Council relating to that application, a refund will be given when those costs are finally assessed; and
  - o if the actual and reasonable costs incurred by the Council relating to that application are inadequate to enable the Council to recover its actual and reasonable costs then additional charges calculated for staff time at the same rate will be payable (as well as any other items of additional charge which may have been incurred).

**Additional fixed fees**

At any time after the receipt of an application and before a decision has been made the Council may fix a fee pursuant to Section 36(1) of the RMA which is in excess of the fixed charge set out in this schedule.

In that event:

- a) The Council may require that no further action will be taken in connection with the application until that fixed fee is paid in accordance with Section 36(7) of the RMA; and
- b) May also, pursuant to Section 36(3) of the RMA make additional charges.

**Remission of fees**

Staff with delegated authority may decide to reduce any charges following the criteria of Section 36(4) (b) of the RMA.

**Building Act 2004 fees and charges – explanatory note**

*These fees and charges become operative on 1 July 2019 and will apply for all work carried out and decisions issued on or after 1 July 2019, irrespective of when the application was lodged with the Council.*

**Fixed, Variable and Deposit Charges**

*The charges set out in this schedule are pursuant to Subpart 9, Section 281 A, B and C of the Building Act 2004.*

*All such charges are stated inclusive of GST at 15%, however should the GST rate be amended, GST will be charged at the prevailing rate.*

**Additional charges**

*Where a fixed charge is in any particular case inadequate pursuant to section 281B to enable the Council to recover its actual and reasonable costs in respect of the matter concerned, the Council will require the applicant to pay an additional charge to the Council.*

**Purpose**

*The purpose of each fixed charge and any additional charge is to recover the actual and reasonable costs incurred by the Council in receiving and processing applications and in issuing decisions and monitoring performance of conditions.*

**Charge-out rates for council officers and mileage**

*Charge out rates for Council officers are set out in this schedule and:*

*Are fixed charges;*

*If reference is made in the schedule to actual staff time, it will be charged in accordance with the relevant hourly charge-out rates;*

*The charge-out rates for Council officers and for mileage will apply to all matters listed in the Schedule so that:*

- o if the fixed charge which has been paid in advance is greater by more than \$50.00 than the actual and reasonable costs incurred by the Council relating to that application, a refund will be given when those costs are finally assessed; and*
- o if the actual and reasonable costs incurred by the Council relating to that application are inadequate to enable the Council to recover its actual and reasonable costs then additional charges calculated for staff time at the same rate will be payable (as well as any other items of additional charge which may have been incurred).*

## Consultation and Submissions

Council is using the Special Consultative Procedure set out in section 83 of the Local Government Act 2002 through consultation, decision making, and adoption of these fees and charges.

Anyone can make a submission and we encourage you to tell us your views. A submission form is attached to this proposal document.

**Consultation will take place from Thursday 4 April 2019 on Monday 6 May 2019 until 5pm.**

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](mailto: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	Planned timeframe
<b>Council Meeting</b> to adopt the proposed changes to the 2019/20 fees and charges under the Food Act and the Resource Management Act for public consultation	26 February 2019
<b>Consultation Period</b>	4 April – 6 May 2019
<b>Hearing</b> of submitters who wish to speak to their submission	14 May 2019
<b>Council Meeting</b> to make decisions (deliberate) and adopt the 2019/20 fees and charges under the Food Act and the Resource Management Act	14 May 2019

**Remember, submissions close at 5pm on Monday 6 May 2019.**





# Draft

## Fees and Charges for 2019/20

(not requiring consultation)



<b>Community Services</b>		
<b>Description</b>	<b>2018/19 fee or charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
<b>Hall Hire - Les Munro Centre</b>		
Total complex		
Full day (8am – 8am)	867.00	867.00
Day hire (8am – 5pm)	612.00	612.00
Weekend rate (5pm Friday – 5pm Sunday)	1632.00	1632.00
Funeral rate*	306.00	306.00
Foyer		
Foyer – hourly rate	36.00	36.00
Supper Room		
Full day (8am – 8am)	469.00	469.00
Day hire (8am – 5pm)	306.00	306.00
Hourly rate	46.00	46.00
Weekend rate (5pm Friday – 5pm Sunday)	800.00	800.00
<b>Other (per hire)</b>		
PA System	133.00	133.00
Crockery (200 piece setting)	148.00	148.00
Grand Piano Hire (per day)	143.00	143.00
Cancellation Fee (within 14 days of event)	50% of hire fee	50% of hire fee
Cancellation Fee (within 15 to 90 days of event)	10% of hire fee	10% of hire fee
Booking Deposit	10% of hire fee	10% of hire fee
Bond		The greater of \$500 or 50% of hire fee
* Funeral rate includes hire of crockery and PA system if required		
<b>Community Halls</b>		
<b>Senior Citizens Hall</b>		
Hire fee per day (8am – 5pm)	61.00	61.00
<b>Piopio Hall</b>		
Complex hire		
Full day (8am – 8am)	204.00	210.00
Hourly rate	36.00	37.00
PA system	66.00	67.00
Bond	50% of hire fee	The greater of \$500 or 50% of hire fee
<b>Te Kuiti Railway Station Building 3</b>		
Day hire (8am – 5pm)	102.00	127.00
Hourly rate	20.00	25.00

Community Services		
Description	2018/19 fee or charge (\$)	2019/20 fee or charge (\$)
Bond		The greater of \$500 or 50% of hire fee
<b>Elderly Persons Housing - Tenancy arrangement</b>		
Small single bedroom - per week	112.00	115.00
Large single bedroom - per week	123.00	125.00
Bedsit - per week	103.00	105.00

<b>Community Services</b>		
<b>Description</b>	<b>2018/19 fee or charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
<b>Cemeteries (Public Amenities Bylaw Clause 8)</b>		
<b>Te Kuiti Cemetery</b>		
Plot Purchase (Berm and Lawn Cemetery)		
Adult	1581.00	1,612.00
Child (under 12 years)	678.00	678 .00
Ashes Plot		
Ashes Wall	337.00	343.00
Garden of Memories	449.00	458 .00
RSA	0.00	0 .00
Interment Fees Te Kuiti		
Adult	1213.80	1,238.00
Child (under 12 years)	643.00	643 .00
Ashes interment	260.00	260 .00
Stillborn	138.00	138 .00
<b>Rural Cemeteries: Piopio, Mokau, Te Waitere and Aria</b>		
Plot Purchase		
Adult	1196.00	1,196 .00
Child (under 12 years)	500.00	500 .00
Ashes Plot	204.00	208 .00
<b>Interment Fees</b>		
Adult	1320.00	1320 .00
Child (under 12 years)	653.00	653 .00
Ashes interment	357.00	364 .00
Stillborn	204.00	204 .00
<b>Sundry (for all cemeteries in the District)</b>		
Extra for breaking concrete	163.00	163 .00
Additional depth	228.00	228 .00
Extra Saturday	218.00	218 .00
Extra Public Holiday	436.00	436 .00
Fixing of Plaque	163.00	163 .00
<b>Disinterment Fees (all Cemeteries)</b>		
<b>An estimate will be provided to customer, actual cost will be charged</b>		
Burial	Actual Cost Plus 10%	Actual Cost Plus 10% Administration
Ashes	Actual Cost Plus 10%	Actual Cost Plus 10% Administration
Non Residents (out of district burials)	Add 60% to plot purchase	Add 60% to plot purchase
Research Fees	60.00	60 .00

<b>Community Services</b>		
<b>Description</b>	<b>2018/19 fee or charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
<b>Parks and Reserves</b>		
Commercial Users Only – All Parks		
Ground Hire (per day)	321.00	330.00
Bond	To be determined on hire but no less than 500 .00	To be determined on hire but no less than 500.00
<b>District Aquatic Centre</b>		
Adult	4.50	4.50
Adult swimmer with an under 5	3.00	3.00
Seniors	3.00	3.00
Disability/health (green script of letter from health professional required)	2.00	2.00
Child	2.00	2.00
Students	3.00	3.00
Under 5's	0.00	0.00
Spectators	1.00	1.00
Learn to Swim Classes (per lesson)	11.00	11.00
Hire of whole complex (per hour) under 50 swimmers	100.00 per hour + 30	100.00 per hour + 30
Hire of whole complex (per hour) over 50 swimmers	100.00 per hour + 30 .00 per lifeguard	100.00 per hour + 30
Lane Hire (per lane per hour)	12.00	12.00
Schools Base Fee (per hour)	35.00 per hour + 30.00 per lifeguard per hour	35.00 per hour + 30.00 per lifeguard per hour
BBQ Hire (per hour)	30.00 per hour + a refundable cleaning bond of 20.00.	30.00 per hour + a refundable cleaning bond of 20.00 .
<b>Te Kuiti Aerodrome</b>		
Visiting Aircraft Landing Fee	10.00	10.00
Touch and go First	10.00	10.00
Fertiliser Bin Hire (per tonne)	6.50	6.50
Plane Storage (casual)	500.00	500.00

Community Services		
Description	2018/19 fee or charge (\$)	2019/20 fee or charge (\$)
<b>Portaloo Hire</b>		
<del>Week (return to WDC by 10am next working day to avoid additional daily charge)</del>	<del>320.0</del>	
<del>Weekend (return to WDC by 10.00am next working day)</del>	<del>170.00</del>	
<del>Day Rate (return to WDC by 10am next working day to avoid additional daily charges)</del>	<del>115.00</del>	
<del>Plane Storage (casual/ day)</del>		
<b>Banner Poles</b>		
Hireage of Banner Space (max of 4 weeks) per week	10.00	10.00
Installation and Removal (minimum then at Cost plus 10%)	150.00	150.00

<b>Community Development</b>		
<b>Description</b>	<b>2018/19 fee or charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
<b>Waitomo District Library</b>		
Scanning (per request)	0.50	0.50
Binding documents	5.00	5.00
Membership Card (initial)	2.50	2.50
<b>Temporary membership bond</b>		<b>20.00</b>
Lost Membership Card replacement	6.50	6.50
Jigsaw Puzzles (21 days)	2.00	2.00
Children's Wooden Puzzles (21 days)	No Charge	<b>No charge</b>
Rental Talking Books	3.00	<b>1.50</b>
Rentals (Fiction) – Books up to 4 years old (Rental 21 Days)	.50	<b>.50</b>
Rentals (Fiction) – Books over 4 years old (Rental 21 Days)	No Charge	<b>No Charge</b>
Over dues – (per day per book)	0.30	.30
Over dues - Children's books (per day per book)	0.20	<b>0.10</b>
Bestseller Collection - 14 day hire	5.00	5.00
Over dues – Bestseller Collection (per day per book)	1.00	1.00
Classic DVDs - 1 week hire	3.00	3.00
DVDs - 1 week hire	4.00	4.00
Best Seller DVDs - 3 day hire	5.00	5.00
Electronic Games -1 week hire	8.00	8.00
Over dues - All DVDs and Games (per day, per item)	1.20	1.20
Magazines - 1 week hire	1.50	1.50
Lost or Damaged Items	Replacement Cost Plus 7.00	<b>Replacement Cost Plus 7.00</b>
Requests to other Libraries (per item) where reciprocal agreement exists	9.00	<b>5.50</b>
Requests to other Libraries (per item) where no reciprocal agreement exists	24.00	24.00
International Requests to other Libraries (per item)	50.00	50.00
Aotearoa Peoples Network (APNK) internet/computer charges	No Charge	<b>No Charge</b>
Items requests/hold, per request	1.20	1.20
Non Resident Fee (per year)	45.00	45.00
Sale of Books	0.80	0.80
Sale of Books - Fill a Bag	3.00	3.00
Books By Mail - postage fee (per item)	5.00	<b>5.50</b>
Library Bags	5.50	5.50
<b>Kit Collection (3 Days)</b>		<b>5.50</b>
Kit Collection (1 week)	5.00	<b>10.00</b>
Overdues - Kit Collection per day	1.00	1.00
Covering Books (Small)	5.00	5.00
Covering Books (Large)	6.00	6.00

Corporate Services		
Description	2018/19 fee or charge (\$)	2019/20 fee or charge (\$)
<b>Official Information</b>		
Handling of enquiries - charge per half hour plus actual and reasonable costs	38.00	38.00
Supply of property records (Hardcopy property files accessed by a customer)	10.00	10.00
Record of Title	30.00	30.00
<b>GIS System – Generating and Printing of Maps/ Plans</b>		
A4 (Plan)	49.50	0.30
A4 (Aerial)	16.00	0.50
A3 (Plan)	13.50	1.00
A3 (Aerial)		1.90
A2 Plotter (plan)		4.75
A2 Plotter (aerial)		10.00
A1 Plotter (plan)		7.75
A1 Plotter (aerial)		12.00
AO Plotter (plan)		14.75
AO Plotter (aerial)		18.50
Creation of non-standard maps / plans (cost is per ½ hour plus printing fees)		38.00
Supply of data in digital form by email (cost is per ½ hour)		38.00
<b>Property number, allocation only (urban and rural RAPID number)</b>	<b>No charge</b>	<b>No charge</b>
<del>Single email of data/ map to customer (per request)</del>	<del>12.00</del>	
<del>Single email/ or copy of data to customer (per request)</del>	<del>12.00</del>	
<del>Creation / printing of non standard maps (cost per half hour plus actual and reasonable costs)</del>	<del>43.00</del>	
<b>Photocopying</b>		
A4 - Black and White, single sided	0.20	0.20
A4 - Black and White, double sided	0.30	0.30
A4 - Colour, single sided	0.30	0.30
A4 - Colour, double sided	0.50	0.50
A3 - Black and White, single sided	0.40	0.40
A3 - Black and White, double sided	0.70	0.70
A3 - Colour, single sided	1.00	1.00
A3 - Colour, double sided	1.90	1.90
<b>Laminating</b>		
A4, per page	3.00	3.00

<b>Corporate Services</b>		
<b>Description</b>	<b>2018/19 fee or charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
A3, per page	6.00	6.00
<b>Postage and Courier</b>		
E20 courier bag (A5)	7.00	7.00
E40 courier bag (A4)	11.00	11.00
E60 courier bag (A3)	17.00	17.00
<b>Email and digital</b>		
Supply of data in digital format by email. Includes producing a document by computer and sending via email to customer.(per half	40.00	40.00
Supply of information regarding Rating Information Database to commercial entities (per hour plus actual and reasonable costs -	50.00	50.00
<b>Fax Service</b>		
National – First sheet	3.60	3.60
National - Second and subsequent sheet	3.60	3.60
International – First Sheet	6.10	6.10
International - Second and subsequent sheet	1.10	1.10
Receiving (per sheet)	1.00	1.00

<b>Assets</b>		
<b>Description</b>	<b>2018/19 fee or charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
<b>Roading</b>		
Road Closure Application Fee *	516.00	516.00
* Fee includes administration and the cost of one advertisement; two adverts are required . Council will cover the cost of one advertisement		
Entrance way Inspection	184.00	184.00
<b>Road Damage Deposit</b>		
Bond (deposit refundable)	5,694.00	5,694.00
Road Opening Notice	199.00	199.00
Road Encroachment	199.00	199.00
<b>Rapid Number</b>		
New	90.00	90.00
Replacement	51.00	51.00
<b>Over Weight Permit</b>		
	244.00	244.00
<b>Overweight Permit Renewal</b>		<b>200.00</b>
<b>No Spray Zone Application</b>		
	224.00	224.00
<b>Roading Information</b>		
Land Information Request	67.00	67.00
Engineering Consent	78.00	78.00
<b>High Productivity Motor Vehicle (HPMV) Permit</b>		
HPMV Permit	350.00	350.00
HPMV Permit up to 10 identically configured HPVM vehicles, belonging to the same company	350.00	350.00
HPMV Permit Renewal	200.00	200.00
<b>Sewerage <del>Extraction, Treatment and Disposal (wastewater)</del></b>		
Connection (All Council supplies excluding Piopio)	1,990.00	<b>2049.70</b>
Disconnection	220.00	<b>226.60</b>
<b>Piopio Wastewater</b>		
Connection involving retrofitting of an existing approved septic tank	9,874.00	<b>10,170.00</b>
Connection (including new septic tank)	19,538.00	<b>20,124.14</b>
<b>Trade Waste</b>		
<b>Administrative Charges</b>		
Required Trade Waste Application Fee	156.00	<b>160.70</b>
Non-compliance Re-inspection Fee	120.00	<b>123.60</b>

Assets		
Description	2018/19 fee or charge (\$)	2019/20 fee or charge (\$)
<b>Annual Trade Waste Consent Charges</b>		
Exempt Trade Waste Licence	118.00	121.54
Permitted Trade Waste Licence	234.00	241.02
Conditional Trade Waste licence (includes disposal from cleaning of separator unit x2 p/annum)	658.00	677.74
Tankered Trade Waste Charges (receipt treatment and disposal of liquid trade wastes per m3 (1,000 litres) at Te Kuiti Waste Water Treatment Plant:		
Septage**disposal from within Waitomo District per m3 (1,000 litres)		244.11
Greywater per m3 (1,000 litres)		37.60
Grease Trap waste per m3 (1,000 litres)		257.50
All out of Waitomo District tinkered waste per m3 (1,000 litres) casual users		303.85
*Note: Tankered trade waste compromising a mixed waste load will be charged at the higher rate		
**Septage is septic tank waste including partially treated sludge that accumulates in a septic tank		
<del>Sewerage Discharge Rates t Te Kuiti per m3 (1,000 litres) discharged at Waste Water Treatment Plant</del>		
<del>Liquid (Septic Tank) waste disposal from within Waitomo District per m3 (1,000 litres)</del>	<del>237.00</del>	
<del>Liquid Waste (Grey Water) per m3 (1,000 Litres)</del>	<del>36.50</del>	
<del>Tankered trade waste (grease trap) per m3 (1,000 litres)</del>	<del>250.00</del>	

<b>Assets</b>		
<b>Description</b>	<b>2018/19 Fee or Charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
<b>Stormwater</b>		
Connection	3,084 .00	3176.52
Kerb Connection	1,100 .00	1,133.00
<b>Water Supply (Water Services Bylaw 2015)</b>		
Bulk Water take (tankers/hydrant etc) Cost/ m <sup>3</sup>	11.55	11.90
Connection Fee (All council supplies)	1,950 .00	2,008.50
Disconnection Fee	500 .00	515.00
<b>Testing Meters Fee</b>		
Domestic 15 mm and 20 mm	430 .00	442.90
40 mm large connection	510 .00	525.30
50 mm and 100 mm bulk	785 .00	808.55
Reconnection	500 .00	515.00
Water Permit (standpipe) Hire	210 .00	216.30
Water Take Application Fee	156 .00	160.68
Toby/ Valve locates	140 .00	144.20
<b>Other Charges</b>		
For identification of underground services or any other operation deemed to differ from the normal fees and charges line item	Cost Recovery Basis Plus 10% administrative costs	Cost Recovery Basis Plus 10% administrative costs
<b>Solid Waste Management</b>		
<b>Kerbside Collection</b>		
Purchase of WDC Rubbish Bags - Residents (each)	3.20	3.30
<b>Landfill and Transfer stations</b>		
<b>Waitomo District Landfill costs</b> <i>(Note: most charges are per 1 tonne (1,000kgs). There is no charge to dispose of official WDC Refuse Bags at Landfill)</i>		
<b>Purchase of Recycle Bin (Green Bin, each)</b>	24 .00	24.50
<b>General Refuse</b>		
General Refuse (per tonne)	208 .00	212.00
<b>Green Waste</b>		
Green Waste (per tonne)	140 .00	143.00
<b>Special Refuse</b>		
Concrete and Bricks (per tonne)	81 .00	83.00
Concrete, Second Grade (per tonne)	36 .00	37.00
Fibreglass (per tonne)	257 .00	262.00
Bitumen (per tonne)	56 .00	57.00
Clean Fill (per tonne)	41 .00	42.00
Clay (per tonne)	31 .00	32.00
Whiteware - each	20 .00	21.00

<b>Assets</b>		
<b>Description</b>	<b>2018/19 Fee or Charge (\$)</b>	<b>2019/20 Fee or charge (\$)</b>
Television - each	30.00	31.00
Computer - each	19.00	19.00
Toaster/ kettle/ video recorders	7.00	8.00
Fluro Lights – small	36.00	37.00
Fluro Lights – large	52.00	53.00
Oil, paint – per litre	4.00	5.00
Lead Cell Batteries (each)	30.00	31.00
Gas Cylinders (each)	14.00	15.00
Car Bodies (clean)	105.00	107.00
Car Bodies (as is)	171.00	174.00
Metal (scrap only, per tonne)	88.00	90.00
Polystyrene (per tonne)	1,268.00	1293.00
Sand (white, per tonne)	67.00	69.00
Scrap steel (per tonne)	53.00	54.00
Road Sweeping (per tonne)	67.00	69.00
Timber Waste (per tonne)	128.00	130.00
Burial (per unit)	65.00	66.00
<b>Tyres</b>		
Car	14.00	15.00
4x4	19.00	20.00
Light Truck	19.00	20.00
Truck	23.00	24.00
Tractor	60.00	61.00
Tyre removal from rim	27.00	28.00
Shredded tyres (per tonne)	230.00	235.00
<b>Asbestos (wrapped)</b>	290.00	320.00
<b>Contaminated Soils</b>	265.00	270.00
<b>Contaminated Waste</b>	304.00	310.00
<b>Bulk Liquid Wastes will not be accepted</b>		
<b>Over 500 Tonne of General Refuse - a Special Rate is to be pre-approved by CE</b>		
<b>Transfer Stations</b>		
<i>Charges are per refuse item: Van (each). If the amount of general refuse is over and above the standard item, additional charges will be applied.</i>		
<b>General Refuse</b>		
Disposal of Unofficial rubbish bags	11.00	12.00
Wheelie Bin	31.00	32.00
Car boot	34.00	35.00
Van	61.00	62.00
Ute	69.00	70.00
Trailer	69.00	70.00
Special Refuse (E.g. Whiteware)	20.00	20.00

<b>Assets</b>		
<b>Description</b>	<b>2018/19 Fee or Charge (\$)</b>	<b>2019/20 fee or charge (\$)</b>
Televisions – each	30.00	31.00
Computer – each	18.00	19.00
Toaster/ kettle/ video recorders	7.00	8.00
<b>Landscape Supplies</b>		
<b>Riverstone (per tonne)</b>		
Riverstone 6mm Pea Metal	99.00	102.00
Riverstone 10mm Rolys	104.00	107.00
Riverstone 19mm Rolys	104.00	107.00
Riverstone 6-25mm Rolys	104.00	107.00
Riverstone 25-65mm Rolys	115.00	118.00
Riverstone 65-200mm Rolys	128.00	132.00
Riverstone 200-400mm Rolys	153.00	158.00
Riverstone Medium Boulders	277.00	285.00
Riverstone Large Boulders	354.00	364.00
Riverstone Pit Sand	82.00	84.00
Riverstone Builder Mix	115.00	118.00
Riverstone Drainage Stone 25-65mm	99.00	102.00
<b>Mulch (per tonne)</b>		
Garden Mulch 2nd Quality unscreened	88.00	88.00
<b>Limestone (per tonne)</b>		
Limestone Fines (cream colour)	39.00	40.00
Limestone Chip (cream colour) 2-6mm	50.00	52.00
Limestone Chip (cream colour) 6-15mm	131.00	135.00
Limestone Chip (white colour) 6-16mm	148.00	152.00
Limestone Chip (cream colour) 15-25mm	131.00	135.00
Limestone Aggregate Gap 25	61.00	63.00
Limestone Aggregate Gap 50	66.00	68.00
Limestone Aggregate Gap 100	44.00	45.00
Limestone Drainage Stone 25-50mm size	72.00	74.00

Document No: A424656

**Report To: Council**



**Meeting Date: 26 March 2019**

**Subject: New Zealand Local Government Funding Agency: Half Year Report and Statement of Intent for 2019/20**

**Type: Information Only**

### Purpose of Report

- 1.1 The purpose of this business paper is to provide Council with information on the Half Year Report to 31 December 2018 and Statement of Intent for the 2019/20 financial year from the New Zealand Local Government Funding Agency (LGFA).

### Background

- 2.1 The LGFA was established in December 2011 principally to borrow domestically or offshore and provide lending to local authorities across New Zealand.
- 2.2 Waitomo District Council (WDC) joined the LGFA as a borrower and guarantor in April 2017. Substantially all its borrowings are now provided from the LGFA.
- 2.3 As a borrower WDC would look to the LGFA as first lender of choice for Council's borrowing requirements. As a guarantor to the LGFA, WDC has ongoing interest in the financial strength of LGFA.

### Commentary

- 3.1 The Half Year Report to 31 December 2018 provides both financial performance and service performance against LGFA's Statement of Intent for 2018/19 (**Attachment 1**).
- 3.2 **Performance against objectives for the Six Months to 31 December 2018.**
- 3.3 The LGFA has two primary and eight secondary objectives, with the primary objectives as follows:
  - 3.3.1 Optimising the debt funding terms and conditions for participating Local Authorities, and;
  - 3.3.2 Monitoring the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and general issues facing the sector.
- 3.4 Under the two primary objectives there are a number of measures reported, showing their performance against those objectives.

- 3.5 In particular as stated on page 10 the “LGFA continues to provide savings in borrowing costs for councils relative to other sources of borrowing” and this statement is clearly demonstrated in the accompanying graphs on the following page.
- 3.6 Other objectives of - making longer-term borrowings available, enhancing certainty of access to debt and providing flexible lending terms have all been achieved. Stated with the issuance of the April 2033 LGFA Bond, councils can borrow on a bespoke basis from one month up to 14 years.
- 3.7 Of relevance to WDC is the ability to continue to borrow on a bespoke basis as this allows the hedge arrangements of the LGFA debt (the hedged item) with its interest rate swap (the hedging item), which WDC has with another counter party (being Westpac Bank).
- 3.8 The second main objective of LGFA being monitoring the quality of the asset book, continues to be achieved through monitoring participating councils financial position, financial headroom, if relevant, analysis at group level of Councils, working with a number of government agencies and financial institutions and credit rating agencies.
- 3.9 During the six month period 31 councils were visited by LGFA, out of 61 member councils.
- 3.10 WDC staff were visited during September 2018 and attended the LGFA Borrowers Day in Wellington during July 2018.
- 3.11 **Financial Performance for the Six Months to 31 December 2018.**
- 3.12 Net operating profit for the six months to 31 December 2018 was \$6,075,000, an increase of \$39,000 from the corresponding period for the prior year.
- 3.13 Net interest income and operating profit are claimed to be ahead of SOI forecast and expenses are less than budget for the six months.
- 3.14 Importantly “the financial strength of the LGFA was reaffirmed by credit rating agencies Standard & Poor’s (in July 2018) and Fitch (November 2018) who both maintain the credit rating at AA+, the same as the New Zealand Government”.
- 3.15 The ability of the LGFA to maintain its financial strength and high credit rating is important for Council as a borrower, so debt funding can be sourced on favourable terms and as a guarantor because it further reduces the already very low likelihood of the guarantee being exercised.
- 3.16 Total loans to Councils by LGFA are \$9.325 billion as at 31 December 2018 and were \$7.975 billion in the comparable period last year.
- 3.17 Bonds on issue to investors in LGFA total \$9.158 billion as at 31 December 2018 and was \$8.101 billion in the comparable period last year.
- 3.18 **Draft Statement of Intent (SOI) for 2019/20**
- 3.19 Generally the proposed SOI for 2019/20 (**Attachment 2**) is similar to the current SOI being worked to. However there is some notable exceptions as stated below.
- 3.20 Within LGFA’s primary objectives, there is a change in focus from “making longer-term borrowings available to participating Local Authorities” to offering short and long-term borrowings with flexible terms and being the funder of choice for New Zealand local government.

- 3.21 For their second objective of monitoring the quality of their asset book, included is the objective to enable Council's CCO's to borrow from LGFA and where appropriate analyse on Council group basis.
- 3.22 Investigations are underway whether there is a place for Council (Group) to take advantage of this expanded service.

## **Suggested Resolution**

The business paper on New Zealand Local Government Funding Agency (LGFA): Half Year Report to 31 December 2018, and Statement of Intent for 2019/20 be received.



**VIBHUTI CHOPRA**  
**GROUP MANAGER – CORPORATE SERVICES**

20 March 2019

Attachments:

1. LGFA: Half year report – 31 December 2018 (#A424959)
2. LGFA: [Draft] Statement of Intent 2019/20 (#424960)
3. Covering letter from Mark Butcher (CEO of the LGFA) (#A424961)

# Partnering with Councils to finance infrastructure investment

**Mā te huruhuru  
ka rere te manu**

Half year report  
31 December 2018

*Mā te huruhuru ka rere te manu*  
is a traditional saying literally meaning  
'birds need feathers to fly'.

**Its wider meaning is that  
'investment is needed for success'.**

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# Message from the Chair

## He karere mai i te Toihau

**For the six months ended  
31 December 2018**

*“LGFA has facilitated a record amount of council borrowing over the six-month period as councils continue to invest in new infrastructure and refinance existing debt. Having undertaken a record amount of issuance in the six-month period, LGFA continues to offer investors a highly rated, higher yielding alternative to New Zealand Government Bonds”*

**Craig Stobo, Chair LGFA Board**



Directors would like to highlight the following developments at LGFA for the six-month period to 31 December 2018.

### Strong Financial and Operational Performance

LGFA total interest income for the six-month period of \$180.9 million was a 1.5% increase over the 2017-18 comparable period result of \$178.145 million while net operating profit of \$6.08 million was a 0.7% increase on the 2017-18 comparable period result of \$6.04 million.

Net interest income and operating profit exceeded both the previous comparable period result and are ahead of the Statement of Intent (SOI) forecast due to the early refinancing of loans by councils maturing in March 2019 and a higher level of new council borrowing.

Expenses have been managed under budget over the past six months as lower fees from a reduced utilisation of the standby facility, and lower Approved Issuer Levy payments relative to budget, were partially offset by higher legal and NZX costs from lending and bond issuance activities being above budget.

LGFA bonds continue to be an attractive investment for investors while LGFA has also delivered savings in borrowing costs and extended the tenor of lending available to our council borrowers.

The financial strength of LGFA was reaffirmed by credit rating agencies Standard & Poor's (in July 2018) and Fitch (in November 2018) who both maintained our credit rating at 'AA+' which, very importantly, is the same as the New Zealand Government.

### Borrowing activity

LGFA issued a record \$985 million of bonds over the past six months and nominal outstandings now total \$9.104 billion (including \$400 million of treasury stock) across eight maturities from 2019 to 2033.

LGFA is the largest issuer of New Zealand dollar (NZD) securities after the New Zealand Government and our bonds are amongst the largest and most liquid New Zealand dollar debt instruments available for investors. We have seen a shift in investor composition over the past six months as offshore investors have become less attracted to the lower yielding NZD fixed income asset class while domestic bank balance sheets have increased their holdings on the outlook for stable domestic monetary policy and a reduced supply of NZ Government Bonds in the coming year. Our offshore

investor holdings have reduced from 39% in June 2018 to 33% in December 2018 while bank holdings have increased from 33% to 38%.

The performance of LGFA bonds over the past six months has been mixed with LGFA bond spreads to both swap and NZGB tighter on the mid curve maturities but wider on the short-dated and long-dated maturities. Outright yields on LGFA bonds have declined over the past six months by between 11 bps (0.11%) on the 2020 maturity and 46 bps (0.46%) on the 2025 maturity and are at historic lows.

LGFA continues to issue short-dated LGFA Bills ranging in maturities from three months to 12 months through a combination of monthly tenders and private placements. Outstandings under the programme have reached a record \$485 million. These instruments provide a source of funding for short-dated lending to our council borrowers and assist LGFA with liquidity management.

### Lending to the sector

LGFA was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The original 31 shareholders including the Crown remain as shareholders. Over the past six months, we added five new members with Ruapehu District and Waikato Regional Councils joining as guarantors and Wairoa, Clutha and Mackenzie District Councils joining as non-guarantors. Gore District Council also moved to become part of the guarantor group of councils. Total membership of 61 councils is very pleasing and this is expected to rise slightly in the coming year as several councils are partly through the joining process.

Long-dated lending over the six-month period to December 2018 was a strong \$1.05 billion with the lending activity a mix of new borrowing and the refinancing of council loans maturing on 15 March 2019. The tenor of borrowing by councils at 6.5 years was longer than the average term of borrowing of 4.5 years over the 12-month period to June 2018.

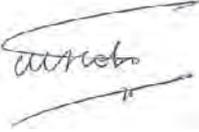
Customised lending continues to be popular for councils in that it provides opportunity to borrow to maturity dates which are different from LGFA bond maturities. LGFA lent \$800 million on a flexible basis to councils during the six-month period, which was approximately 76% of our total long-term lending over that period.

Short-dated lending for terms less than 12 months has been well received by councils and as at 31 December 2018, LGFA had \$527 million of short-term loans outstanding to 31 councils.

The underlying credit quality of the sector continues to remain very strong with all member councils remaining compliant with the LGFA lending covenants.

### Acknowledgments

On behalf of my fellow directors I am pleased to be part of the continued success of this organisation and wish to thank our shareholders, guarantors and borrowers as well as our financial intermediaries, investors and staff for their continued support.



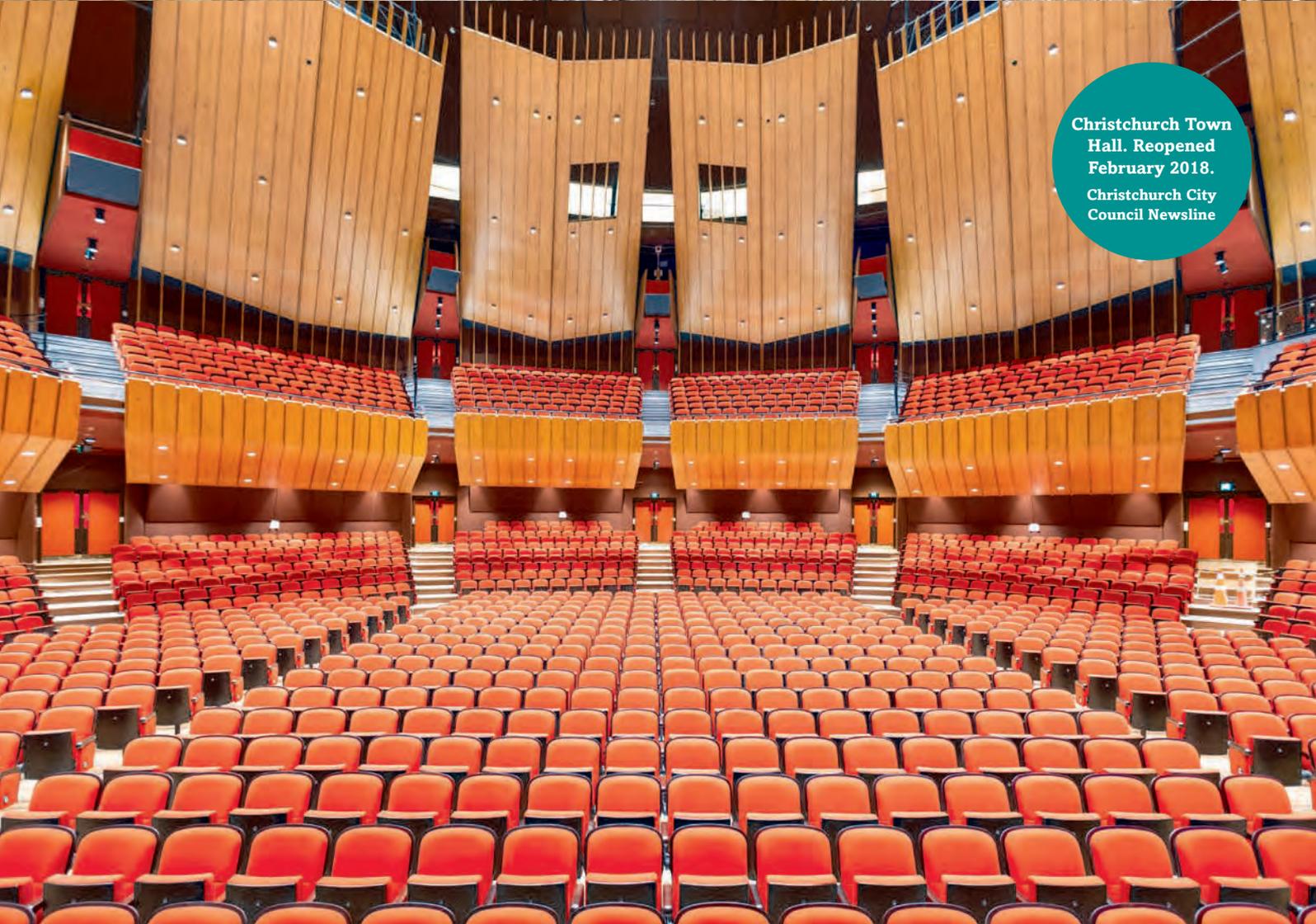
**Craig Stobo**  
Chair, LGFA Board



River rock wall repairs. New rock being positioned to reinstate flood protection.  
Bay of Plenty Regional Council



Taiora QEII Recreation and Sports Centre. Opened May 2018.  
Christchurch City Council Newline



Christchurch Town Hall. Reopened February 2018.  
Christchurch City Council Newline

# Performance against objectives

## Tutukinga mahi ki ōna whāinga

The statement of service performance details LGFA's performance against the objectives and targets set out in the LGFA Statement of Intent 2018-19 (SOI).

### Performance against primary objectives

This section sets out LGFA's performance for the six-month period ended 31 December 2018 against the two primary objectives set out in the 2018-19 SOI.

- 1 **LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:**

- i. **Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;**

LGFA aims to minimise its issuance margin over swap rates to provide cost effective funding to councils. The LGFA margin to swap will depend upon several factors including the relative demand and supply of high-grade bonds, general credit market conditions, performance of New Zealand Government bonds (NZGB) and swap rates, investor perceptions of LGFA and the issuance volume and tenor of LGFA bonds.

## 2018-19 performance objectives

The SOI set out two primary performance objectives and eight additional objectives for LGFA for the year ended 30 June 2019:

### Primary objectives

1. LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:
  - i. Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;
  - ii. Making longer-term borrowings available to Participating Local Authorities;
  - iii. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
  - iv. Offering more flexible lending terms to Participating Local Authorities.
2. LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes:
  - i. LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis;
  - ii. LGFA will analyse finances at the Council group level where appropriate;
  - iii. LGFA will review its debt covenant methodology and assessment of council financial position at group vs parent.

LGFA will present its findings to councils at the LGFA Shareholder-Borrower Day, including a comparison of LGFA methodology to that of the credit rating agencies;

- iv. LGFA will work closely with the Department of Internal Affairs (DIA), Office of the Auditor General (OAG) and Local Government New Zealand (LGNZ) on sector and individual council issues; and
- v. LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market.

### Additional objectives

1. Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy set out in section 6;
2. Provide at least 50% of aggregate long-term debt funding to the Local Government sector;
3. Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4;
4. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015;
5. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency;
6. Achieve the Financial Forecasts (excluding the impact of AIL) set out in section 4;
7. Meet or exceed the Performance Targets outlined in section 5; and
8. Comply with its Treasury Policy, as approved by the Board.

There will be periods within the interest rate and credit market cycles when LGFA bonds will outperform its benchmarks (spread narrowing) and there will be periods of time when LGFA bonds underperform (spreads widening).

LGFA spreads to swap have consistently narrowed since it first began issuing bonds in February 2012, and over the past six months, spreads to swap as measured by secondary market levels have narrowed on the mid-curve maturities (2023s and 2025s) but widened on the LGFA bond maturities at the two end points of the curve.

LGFA bond margin to swap	As at 31 December 2018 basis points (bps)	As at 30 June 2018 (bps)	Spread movement (bps)
15 March 2019	6	4	2
15 April 2020	10	5	5
15 May 2021	17	11	6
14 April 2022	26	20	6
15 April 2023	31	34	(3)
15 April 2025	47	53	(6)
15 April 2027	59	54	5
14 April 2033	86	79	7

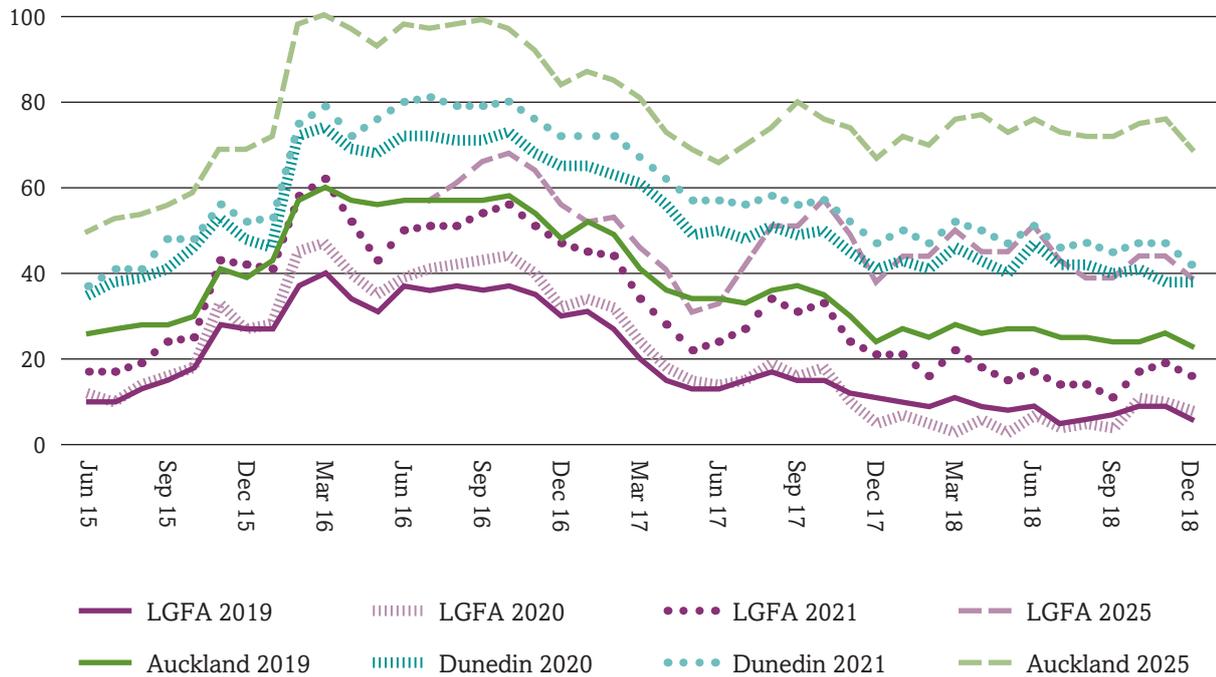
A similar pattern is evident over the same period with the LGFA spreads to NZGB narrowing in the mid curve maturities only.

LGFA bond margin to NZGB	As at 31 December 2018 (bps)	As at 30 June 2018 (bps)	Spread movement (bps)
15 March 2019	30	30	-
15 April 2020	38	37	1
15 May 2021	46	44	2
14 April 2022	54	53	1
15 April 2023	60	69	(9)
15 April 2025	78	83	(5)
15 April 2027	91	83	8
14 April 2033	123	104	19

The spread widening in the back end of the yield curve is due to the increased issuance of LGFA 2033 bonds, the larger than normal amount of LGFA bond issuance over the six-month period and the improvement in Central Government's fiscal position leading to expectations of a reduction in the supply of NZGBs.

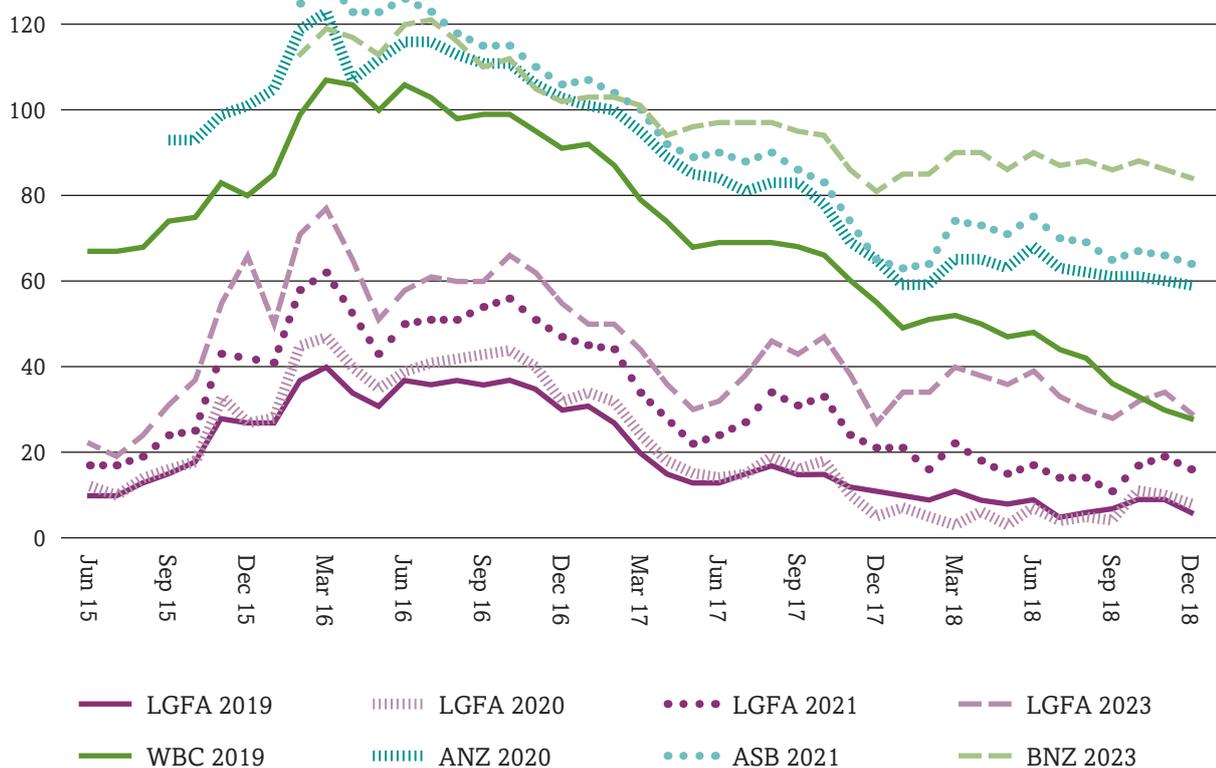
LGFA continues to provide savings in borrowing costs for councils relative to other sources of borrowing. We compare our secondary market spreads on LGFA bonds to those of Auckland Council and Dunedin City Treasury (as a proxy for councils borrowing in their own name) and a mix of banks (as a proxy for general market conditions).

### Secondary market credit spread to swap for LGFA and council bonds (basis points)



Source: Bloomberg, LGFA

### Secondary market credit spread to swap for LGFA and bank bonds (basis points)



Source: Bloomberg, LGFA

From the table below, we estimate that based upon secondary market spread data as at 31 December 2018, LGFA was saving AA-rated councils between 2 bps and 17 bps depending upon the term of maturity. This compares to savings of between 10 bps and 22 bps a year ago, but one would expect savings to diminish naturally over time as the bonds approach their maturity date and shorten their duration.

31 December 2018	Savings to AA-rated councils (bps)				
	Auckland 2019	Dunedin 2020	Dunedin 2021	Auckland 2022	Auckland 2025
AA rated councils margin to swap (bps)	18	37	44	46	72
Less LGFA margin to swap (bps)	(6)	(10)	(17)	(26)	(47)
LGFA gross funding advantage (bps)	12	27	27	20	25
Less LGFA base margin (bps)	(10)	(10)	(10)	(10)	(10)
Total saving (bps) *	2	17	17	10	15

\* Note that from June 2017 we have excluded from the estimated savings any positive impact from the 'LGFA effect' that was equivalent to 10 bps of savings evident when LGFA first commenced lending in February 2012.

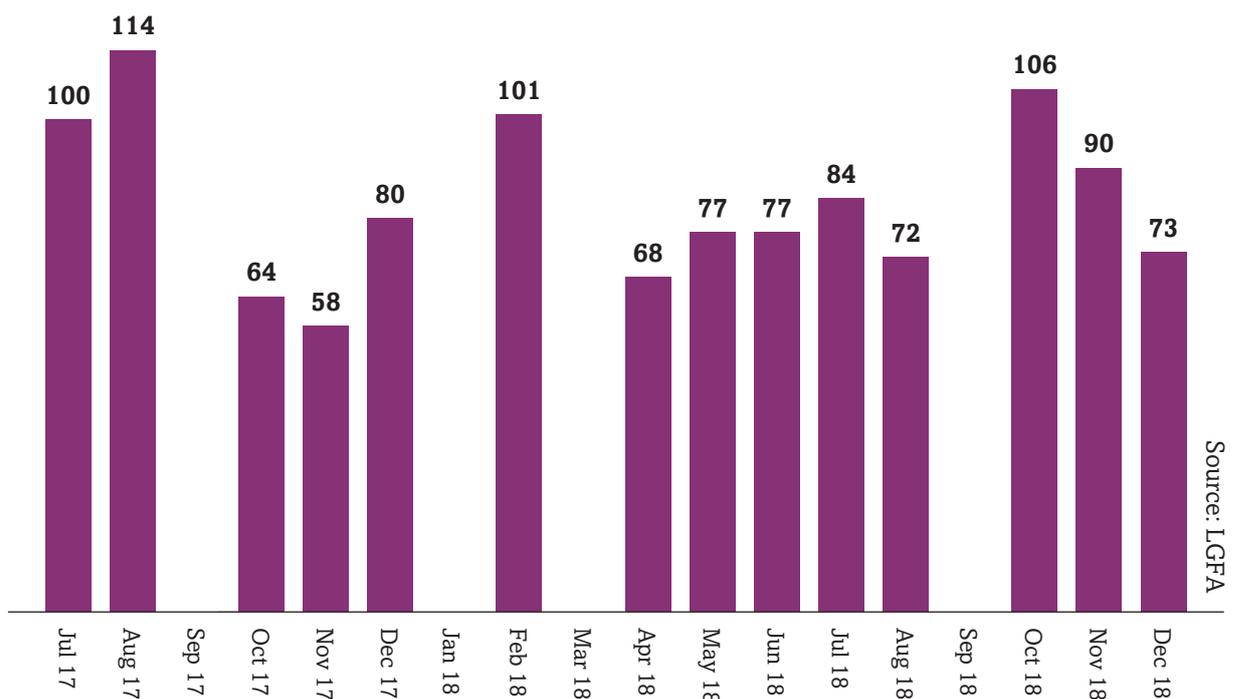
#### ii. Making longer-term borrowings available to Participating Local Authorities;

Councils borrowed a record \$1.05 billion of long-term loans from LGFA over the six-month period. The average borrowing term (excluding short-dated borrowing) for the six-month period to December

2018 by council members was 6.5 years and this was longer than the average borrowing term of 4.5 years for the 12 months to June 2018. However, the average term of borrowing in 2017-18 was very short compared to the 2016-17 average term of 7.8 years, so the prior year comparison does not provide a useful benchmark.

### Average total months to maturity – Long-term lending to councils

Last 18 months



While LGFA can provide councils with the ability to borrow from LGFA for terms from one month to 14 years, it is up to the councils to determine their preferred term of borrowing.

We introduced a new four-year bond (April 2022) in April 2018 and we expect to issue another new maturity in the first half of the 2019 calendar year. However, with the issuance of the April 2033 LGFA bond in 2017, councils can borrow on a bespoke

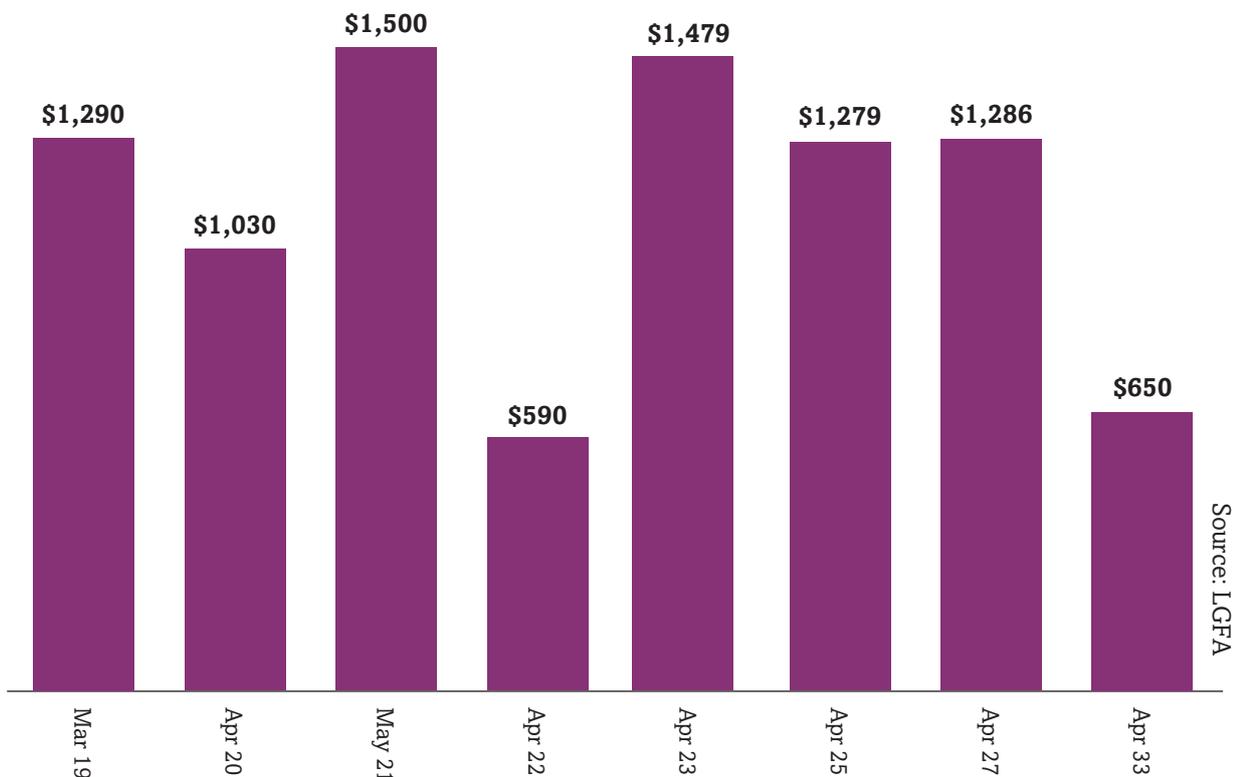
basis (for any preferred maturity date, at any time) out to 14 years.

LGFA funds its lending to councils by issuing bonds to banks, institutional and retail investors – both in New Zealand and offshore. The following chart shows the total LGFA bond outstandings, including treasury stock, by maturity as at 31 December 2018.

## LGFA bonds on issue (NZ\$ million, face value)

As at 31 December 2018 : NZ\$9,104 million

Includes NZ\$400 million treasury stock



### iii. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practices;

LGFA listed its bonds on the NZX Debt Market in November 2015 and this has led to greater awareness and participation in LGFA bonds by domestic retail and offshore investors. Average turnover of LGFA bonds on the NZX Debt Market since listing has been \$12 million per month or 8.1% of the total turnover of the NZX Debt Market. Turnover has reduced over the past six months as retail investors are more attracted to higher term deposit rates.

LGFA commenced the issuance of LGFA Bills for terms of three months and six months in late 2015. Because of this issuance, LGFA has offered short-term loans of less than one year to councils since 2015. As at 31 December 2018, LGFA has short-term loans outstanding to 31 councils of \$527 million. This is a record amount of loans and an increase of \$283 million over the past six months.

LGFA also issued a record amount of bonds in the six-month period with \$985 million issued across five bond tenders with an average tender volume of \$197 million and a range of \$175 million to \$210 million in size.

## LGFA bond issuance by tender (NZ\$ million)

Last 18 months. Excludes issuance of treasury stock (\$400m)



All tenders were successful and fully subscribed. The average bid-coverage ratio across the five bond tenders was 2.3 times and this compared to the average of 3.1 times for the 61 bond tenders held since LGFA first commenced issuance in February 2012.

LGFA bond tender results by maturity	2018-19 ytd issuance amount	LGFA tender average bid coverage ratio	LGFA tender average successful bid range
15 March 2019	Nil	n/a	n/a
15 April 2020	Nil	n/a	n/a
15 May 2021	\$30 m	3.2 x	0 bps
14 April 2022	\$270 m	2.4 x	2 bps
15 April 2023	Nil	n/a	n/a
15 April 2025	\$260 m	2.7 x	3 bps
15 April 2027	\$180 m	2.1 x	4 bps
14 April 2033	\$245 m	1.8 x	4 bps
Across all LGFA maturities	\$985 m	2.3 x	n/a

The successful bid range (difference between the highest and lowest successful bid yield) for each maturity at each tender averaged between 0 bps and 4 bps with the largest range being on the longer-dated maturities.

LGFA established an Australian Medium-Term Notes Programme in November 2017 to provide the ability to issue in currencies other than the New Zealand dollar (NZD). It is not our intention to use this programme but instead to provide some flexibility in case of the unlikely scenario of a significant market disrupting event in the future.

**iv. Offering more flexible lending terms to Participating Local Authorities.**

Councils can access flexible lending conditions by using the short-term lending and bespoke lending products. Short-term lending is for loans between 30 days and 364 days while bespoke lending is where councils can borrow for any term between one year and the longest dated LGFA bond maturity (currently 14 April 2033) on any drawdown date. Therefore, council members can borrow for terms ranging from 30 days to 14 years at any time they wish to drawdown.

Bespoke lending (either into non-LGFA bond maturity dates or into LGFA bond maturity dates but outside of tenders) for council members continues to grow in popularity. During the six-month period to 31 December 2018 we lent \$800 million on a bespoke basis to 37 councils. This was 76% of total term lending to our council members over that period.

Short-term borrowing by councils as at 31 December 2018 was a record \$526.7 million comprising borrowing from 31 councils.

**2 LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes:**

**i LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis;**

LGFA undertakes a detailed financial assessment on each of its borrowers and endeavours to meet with all member councils on an annual basis while monitoring council performance throughout the year. LGFA reviews the annual and long-term plans for each council and the annual financial statements. All councils were compliant with LGFA financial covenants as at 30 June 2018 and a copy of each council's borrowing position and compliance with LGFA covenants was provided to LGFA shareholders and non-shareholder guarantors in January 2019. LGFA assigns an internal credit rating to each of its council members as part of the review exercise.

LGFA management met with 31 councils over the six-month period to 31 December 2018.

**ii LGFA will analyse finances at the Council group level where appropriate;**

LGFA reviews the financial position of each council on a parent basis except for Auckland Council where LGFA analyses the financial statements at both parent and group level. This is because Auckland Council is the only council to deliver a wide range of its essential services on a group basis.

**iii LGFA will work closely with the Department of Internal Affairs (DIA), Office of the Auditor General (OAG) and Local Government New Zealand (LGNZ) on sector and individual council issues.**

LGFA staff and directors have met with Treasury, New Zealand Debt Management, DIA, Trustees Executors, Productivity Commission, Standard & Poor's, Fitch and Infrastructure New Zealand during the past six months to discuss LGFA and sector issues. LGFA attended the Infrastructure New Zealand annual conference and the NZX issuer forum.

**iv LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market.**

LGFA management meet regularly with the management team of each council. We also presented to elected officials at councils prior to them joining LGFA to remind them of their obligations.

We presented at various capital market conferences and meet with banks and investors on a regular basis. We present each quarter on sector finances at the LGNZ media briefing.

## Performance against additional objectives

In addition to the two primary performance objectives, LGFA has eight additional performance objectives which complement the primary objectives. This section sets out LGFA’s performance for the six-months ended 31 December 2018 against the additional objectives set out in the 2018-19 Statement of Intent.

### 2.1 Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy set out in section 6 of the SOI.

The LGFA Board has the sole discretion to set the dividend, and the policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA cost of funds plus 2%.

On 28 August 2018, the directors of LGFA declared a dividend for the year to 30 June 2018 of \$1,285,000 (\$0.0514 per share). This was calculated on LGFA’s cost of funds for the 2017-18 year of 3.14% plus a 2% margin. This was a similar dividend to the previous year dividend of \$0.0556 per share.

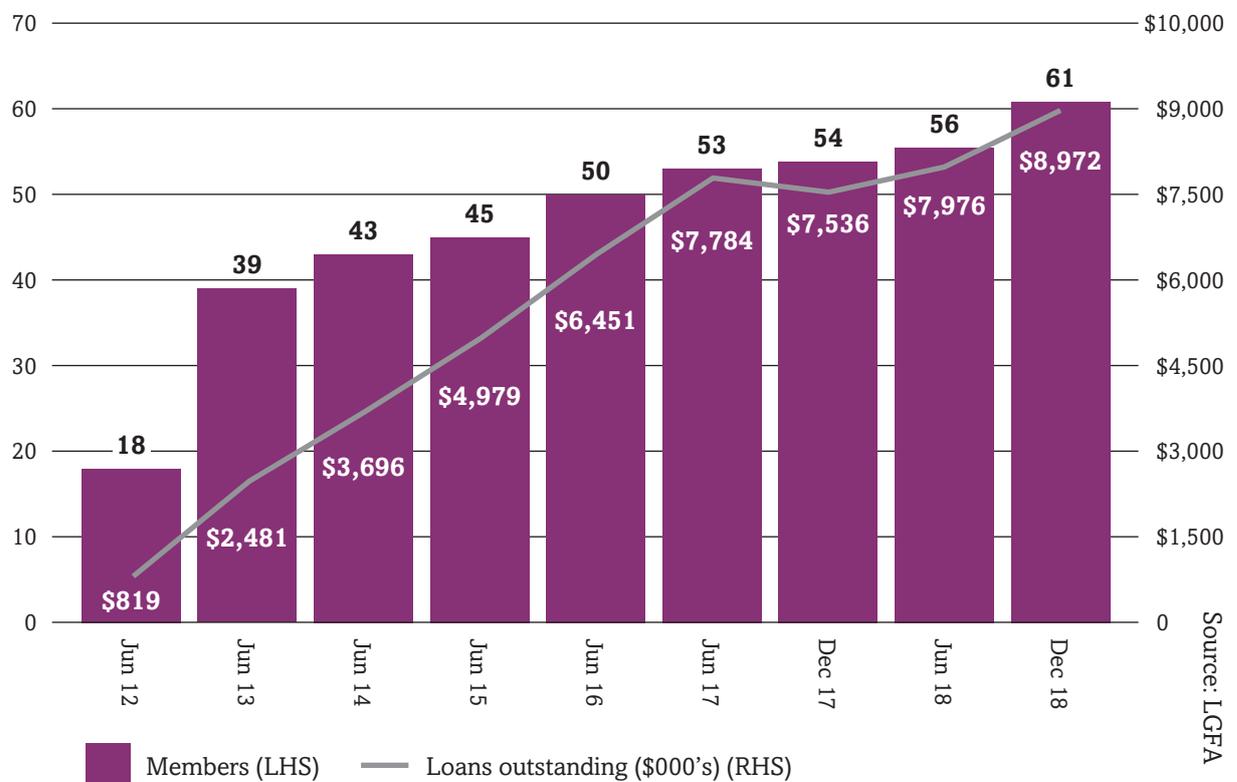
The impact from the current low interest rate environment is that LGFA has a lower cost of funds. While council borrowers benefit from lower borrowing costs, the dividend payment calculated on the above guidance is lower than it would otherwise be in an environment of higher interest rates.

### 2.2 Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities.

Five councils joined LGFA in the six-month period to December 2018, bringing the total number of council members to 61. Ruapehu District and Waikato Regional Council joined as guarantors and Wairoa, Clutha and Mackenzie District Councils joined as non-guarantor borrowers. Gore District Council moved from being a non-guarantor to a guarantor in September 2018.

Councils have strongly supported LGFA by joining as members and borrowing from LGFA. As at 31 December 2018, 58 of the 61 participating councils have borrowed from LGFA.

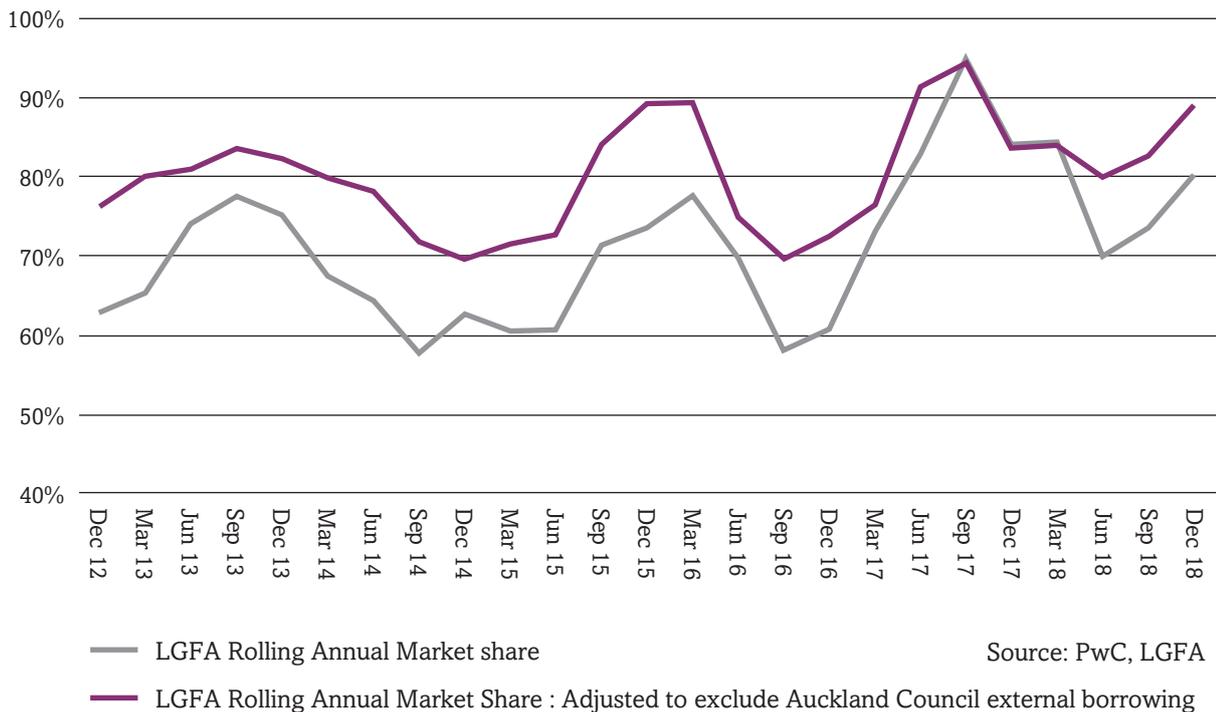
## LGFA council members and nominal loans outstanding



The following chart shows LGFA's share of new local government long-term debt issuance and is derived from survey data provided by PwC. While the latest PwC report is yet to be finalised, our provisional share of long-term borrowing by the sector including non-members of LGFA was 80.2% for the 12-month period to 31 December 2018. The market share is influenced by the amount of debt issued by the sector's largest borrower, Auckland Council,

in its own name in the domestic market. Auckland Council is required to issue debt under its own name as LGFA is restricted by its foundation policies to a maximum of 40% of total loans outstanding to Auckland. If Auckland Council's external borrowing is excluded from the data, then LGFA estimated market share for the 12-month period to 31 December 2018 was 89.0%.

## LGFA council members and LGFA loans outstanding



### 2.3 Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4 of the SOI.

Issuance and operating expenses for the six-month period to 31 December 2018 were \$3.698 million which is \$130k below SOI forecast.

This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at \$1.161 million were \$15k below budget. There were lower fees than budgeted relating to the NZDMO facility offset by higher NZX costs and legal costs than forecast. The larger amount of bond issuance and short-term lending has increased legal costs compared to budget.
- Operating costs at \$1.644 million were \$26k above budget due to timing of personnel and travel costs. There were also additional legal costs relating to considering whether LGFA should lend to Council Controlled Organisations and to also test financial covenant compliance of councils at the group or parent level.
- Approved Issuer Levy payments of \$893k were less than our forecast of \$1.035 million by \$141k due to lower levels of LGFA bonds holdings by offshore investors relative to budget.

#### 2.4 Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015.

LGFA has a Health and Safety Staff Committee and reporting on health and safety issues are made to the LGFA Board on a regular basis by the Risk and Compliance Manager. There were no health and safety incidents during the six-month period to 31 December 2018.

#### 2.5 Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.

LGFA has credit ratings from Standard and Poor's (S&P) and Fitch Ratings (Fitch) and meets with both agencies each year. Meetings were held in 2018 with both agencies and S&P affirmed the long-term rating of LGFA at AA+ (stable outlook)

on 12 July 2018 and Fitch affirmed the rating at AA+ (stable outlook) on 19 November 2018.<sup>1</sup>

Both the S&P and Fitch ratings reports are available on our website ([www.lgfa.co.nz/for-investors/ratings](http://www.lgfa.co.nz/for-investors/ratings)).

Both the S&P and Fitch ratings are the same as, and are capped by, New Zealand's sovereign credit rating. Fitch has defined LGFA as a credit linked Public Sector Entity and our credit rating is explicitly linked to the New Zealand Sovereign credit rating.

#### 2.6 Achieve the Financial Forecasts (excluding the impact of AIL) set out in section 4 of the SOI.

LGFA's financial results for key items set out in Section 4 of the SOI for the six-month period to 31 December 2018 are:

In \$ million	31 December 2018 Actual	31 December 2018 SOI Forecast
Net interest revenue	9.77	9.60
Issuance and operating expenses excluding Approved Issuer Levy (AIL)	2.81	2.79
Approved Issuer Levy (AIL)	0.89	1.04
Net Operating Gain	6.08	5.77

LGFA net operating gain exceeded forecast as net interest revenue was greater than forecast and expenses below forecast.

1. Subsequent to 31 December 2018. On 31 January 2019, S&P placed the issuer credit ratings of LGFA on positive outlook. The LGFA Foreign Currency credit rating of AA/A-1+ and Local Currency rating of AA+/A-1+ were affirmed by S&P and are now both on positive outlook.

## 2.7 Meet or exceed the Performance Targets outlined in section 5 of the SOI.

As at 31 December 2018, LGFA is on track to meet three out of its four performance targets for the 12-month period to 30 June 2019

2018-19 performance targets	Target	Result for six-month period to 31 December 2018	Outcome
Average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period	<= 0.10%	0.095%	✓ On track to be met
Annualised annual issuance and operating expenses (excluding AIL)	<= \$5.67 million	\$2.81 million	✓ On track to be met
Lending to Participating Local Authorities	>= \$8.105 billion (full year target)	\$9.268 billion as at December 2018	✓ On track to be met noting that \$1.195 billion of loans due to be repaid in March 2019
Savings on borrowing costs for council borrowers relative to other sources of financing and compared to previous years	Improvement since prior year end relative to borrowing by councils directly.  As at June 2018: 2019s 11 bps, 2021s 19 bps and 2025s 10 bps	As at December 2018: 2019s 2 bps, 2021s 17 bps and 2025s 15 bps	✗ Not met due to lack of single name issuance by councils and shortening of comparable maturity dates. This reduced supply has tightened comparable spreads for Auckland Council and Dunedin City Council bonds

## 2.8 Comply with its Treasury Policy, as approved by the Board.

LGFA was compliant with the Treasury Policy during the six-month period ending 31 December 2018.

# Financial statements

## Taukī pūtea

In the opinion of the directors of the New Zealand Local Government Funding Agency Limited, the financial statements and notes on pages 21 to 37:

- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company as at 31 December 2018, and
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.
- The directors believe that proper accounting records have been kept which enables, with reasonable accuracy, the determination of the financial position of the Company and facilitates the compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

For and on behalf of the Board of Directors



Craig Stobo, Director  
Chair, LGFA Board  
27 February 2019



Linda Robertson, Director  
Chair, LGFA Audit and Risk Committee  
27 February 2019

## Statement of comprehensive income

For the six months ended 31 December 2018 in \$000s

	Note	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017
<b>Interest income</b>			
Cash and cash equivalents		226	291
Loans to local government		124,053	118,416
Marketable securities		1,229	1,434
Deposits		2,251	2,424
Derivatives		53,131	55,580
Fair value hedge ineffectiveness	2	-	-
<b>Total interest income</b>		<b>180,890</b>	<b>178,145</b>
<b>Interest expense</b>			
Bills		4,610	3,671
Bonds		164,513	163,057
Borrower notes		1,769	1,699
Bond repurchase transactions		225	100
<b>Total interest expense</b>		<b>171,117</b>	<b>168,527</b>
<b>Net interest income</b>		<b>9,773</b>	<b>9,618</b>
<b>Operating expenses</b>			
Issuance and on-lending expenses	3	2,054	2,107
Operating expenses	4	1,644	1,475
<b>Total expenses</b>		<b>3,698</b>	<b>3,582</b>
<b>Net operating profit</b>		<b>6,075</b>	<b>6,036</b>
<b>Total comprehensive income</b>		<b>6,075</b>	<b>6,036</b>

These statements are to be read in conjunction with the notes to the financial statements

## Statement of changes in equity

For the six months ended 31 December 2018 (unaudited) in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 30 June 2018		25,000	39,290	64,290
Adjustment on adoption of NZ IFRS 9	1c		(35)	
Equity as at 1 July 2018		25,000	39,255	64,255
Net operating profit			6,075	6,075
Total comprehensive income for the year			6,075	6,075
Transactions with owners			-	-
Dividend paid on 7 September 2018			(1,285)	(1,285)
Equity as at 31 December 2018	12	25,000	44,045	69,045

For the six months ended 31 December 2017 (unaudited) in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 30 June 2017		25,000	28,878	53,878
Net operating profit			6,036	6,036
Total comprehensive income for the year			6,036	6,036
Transactions with owners			-	-
Dividend paid on 20 September 2017			(1,390)	(1,390)
Equity as at 31 December 2017		25,000	33,524	58,524

These statements are to be read in conjunction with the notes to the financial statements

## Statement of financial position

As at 31 December 2018 in \$000s

	Note	Unaudited as at 31 December 2018	Audited as at 30 June 2018
<b>Assets</b>			
Financial assets			
Cash and bank balances		22,393	50,280
Marketable securities		69,284	231,420
Deposits		70,482	201,114
Borrower note receivable	13	144	-
Loans to local government	5	9,325,431	7,975,728
Derivatives in gain		412,759	375,371
Non-financial assets			
Prepayments		869	561
Other assets	10	533	609
<b>Total assets</b>		<b>9,901,895</b>	<b>8,835,084</b>
Equity			
Share capital		25,000	25,000
Retained earnings		37,970	39,290
Total comprehensive income for the period		6,075	
<b>Total equity</b>		<b>69,045</b>	<b>64,290</b>
<b>Liabilities</b>			
Financial liabilities			
Payables and provisions		260	444
Bills	6	482,875	473,421
Bond repurchases	9	5,660	6,183
Loans to local government not yet advanced	13	9,000	-
Bonds	7	9,158,425	8,101,004
Borrower notes	8	153,821	135,108
Derivatives in loss		22,633	54,286
Non-financial liabilities			
Accrued expenses		176	348
<b>Total liabilities</b>		<b>9,832,850</b>	<b>8,770,794</b>
<b>Total equity and liabilities</b>		<b>9,901,895</b>	<b>8,835,084</b>

These statements are to be read in conjunction with the notes to the financial statements

## Statement of cash flows

For the six months ended 31 December 2018 in \$000s

	Note	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017
<b>Cash flow from operating activities</b>			
Cash applied to loans to local government	14	(1,338,445)	247,203
Interest paid on bonds issued		(180,956)	(188,895)
Interest paid on bills issued		(4,610)	(3,671)
Interest paid on bond repurchases		(226)	(102)
Interest paid on borrower notes		-	(2,621)
Interest received from loans to local government		121,772	119,534
Interest received from cash and cash equivalents		226	291
Interest received from marketable securities		1,627	1,567
Interest received from deposits		2,884	3,413
Net interest on derivatives		73,024	80,406
Payments to suppliers and employees		(4,299)	(4,274)
<b>Net cash flow from operating activities</b>	11	<b>(1,329,003)</b>	<b>252,851</b>
<b>Cashflow from investing activities</b>			
Change in marketable securities		161,738	91,195
Change in deposits		130,000	30,000
Change in plant and equipment		-	76
<b>Net cashflow from investing activities</b>		<b>291,738</b>	<b>121,271</b>
<b>Cashflow from financing activities</b>			
Cash proceeds from bonds issued	14	994,187	(382,465)
Cash proceeds from bills issued		9,455	20,422
Cash proceeds from bond repurchases		(523)	(11,957)
Cash proceeds from borrower notes		16,800	(5,770)
Dividends paid		(1,285)	(1,390)
Cash applied to derivatives		(9,256)	(13,403)
<b>Net cashflow from financing activities</b>		<b>1,009,378</b>	<b>(394,563)</b>
<b>Net (decrease) / increase in cash</b>		<b>(27,887)</b>	<b>(20,441)</b>
Cash, cash equivalents and bank overdraft at beginning of year		50,280	49,919
<b>Cash, cash equivalents and bank overdraft at end of year</b>		<b>22,393</b>	<b>29,478</b>

These statements are to be read in conjunction with the notes to the financial statements

## 1 Statement of accounting policies

### a. Reporting entity

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

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

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

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

These interim financial statements were authorised for issue by the Directors on 27 February 2019.

### b. Statement of compliance

These interim financial statements are for the six-months ended 31 December 2018 and are to be read in conjunction with the annual report for the year ended 30 June 2018. They have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IAS 34 Interim Financial Reporting. The financial results for the six-month period ended 31 December 2018 are unaudited.

### c. Basis of preparation

Accounting judgments, estimates and assumptions

The judgements, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2018.

#### Measurement base

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

The financial statements are prepared on an accrual basis.

#### Functional and presentation currency

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

#### Foreign currency conversions

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

#### Changes in accounting policies

#### **New Zealand Equivalent to International Financial Reporting Standard 9 Financial Instruments (NZ IFRS 9)**

NZ IFRS 9 (2014) is effective for the fiscal year commencing 1 July 2018.

NZ IFRS 9 replaces NZ IAS 39 Financial Instruments: Recognition and Measurement and sets out the requirements for hedge accounting and impairment for financial assets and liabilities. LGFA early adopted NZ IFRS 9 (2010) for the classification and measurement of financial instruments at commencement of business in 2012.

#### Hedge accounting

There has been no change to accounting policy for hedge accounting as LGFA's current fair value hedge accounting meets the requirements of NZ IFRS 9.

#### Impairment

NZ IFRS 9 prescribes an expected credit loss impairment model which replaces the incurred loss impairment model in NZ IAS 39. The expected credit loss model requires LGFA to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

LGFA has not previously incurred any credit losses under the incurred loss impairment model (NZ IAS 39) and the introduction of the expected credit loss model (NZ IFRS 9) has not had a material impact on the measurement of LGFA's financial assets. Accordingly, the cumulative impact of the change has been adjusted through opening retained earnings in the statement of changes in equity. There has been no restatement of comparative financial information or the opening balance sheet as at 1 July 2018.

The changes in to LGFA's accounting policies for expected credit losses on financial assets are set out below.

#### Methodology to determine expected credit losses

As at 31 December 2018, LGFA deemed that there had been no significant increase in credit risk

since initial recognition for any financial asset and calculated the loss allowance for these instruments at an amount equal to 12-month expected credit losses, using the estimated probability of default multiplied by the estimated recovery rate.

The estimated probability of default is based on the Standard & Poor's' (S&P) Annual Global Default Study. Individual securities were assigned a probability of default over the 12-month period year based on their S&P, Fitch or Moody's credit rating. Unrated local authorities were assigned a shadow credit rating of A+, based on all being in compliance with LGFA's financial covenants at 31 December 2018, and S&P rating methodology where all New Zealand local authorities who have a credit rating from S&P are rated between AA and A+.

The estimated recovery rate is assigned using the S&P recovery rating scale. All local authorities were assigned a category of 1+, based on LGFA holding security over a council's rates which, in the event of a default, would give a statutory manager the legal right to impose a targeted rate to recover the principal and interest owing. All other financial assets were assigned a recovery rate based on the industry category and average S&P recovery rates for the security type.

The Treasury (New Zealand Debt Management) was assigned a category of 1+ for derivatives.

#### Early adoption standards and interpretations

LGFA has not early adopted any standards.

#### Standards not yet adopted

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

#### Change in presentation. Statement of financial position

LGFA has changed the order of presentation of assets and liabilities in the Statement of financial position to reflect the order of liquidity for financial assets and liabilities. The change in presentation has been applied to both the current reporting period as well as associated comparatives.

### d. Financial instruments

#### Financial assets

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

Cash and cash equivalents include cash on hand; cash in transit, bank accounts and deposits with an

original maturity of no more than three months.

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

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

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

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

#### Financial liabilities

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

#### Derivatives

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

#### Fair value hedge

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

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

### e. Other assets

#### Property, plant and equipment (PPE)

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

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of

an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

#### Intangible Assets

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

### f. Other liabilities

#### Employee entitlements

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

### g. Revenue and expenses

#### Revenue

##### Interest income

Interest income is accrued using the effective interest rate method.

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

##### Expenses

Expenses are recognised in the period to which they relate.

##### Interest expense

Interest expense is accrued using the effective interest rate method.

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

##### Income tax

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

##### Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a

GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

### h. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

### i. Segment reporting

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

### j. Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.

## 2 Hedge accounting

LGFA is exposed to interest rate risk from fixed rate borrowing and variable rate lending to councils. LGFA uses interest rate swaps to manage this interest rate risk. For hedge accounting purposes, LGFA has designated these swaps in fair value relationships to its fixed rate borrowing and council loans.

The gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships is shown in the table below.

in \$000s	Gain/(loss) unaudited six months ended 31 December 2018	Gain/(loss) unaudited six months ended 31 December 2017
Hedging instruments – interest rate swaps	301,917	202,007
Hedged items attributable to the hedged risk – fixed rate bonds / loans	(301,917)	(202,007)
<b>Ineffectiveness recognised in profit or loss from fair value hedges</b>	<b>-</b>	<b>-</b>

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds) are mapped to the same fair value account. For this reason, the statement of comprehensive income will only report any ineffectiveness arising from the fair value hedge.

## 3 Issuance and on-lending expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

in \$000s	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017
NZDMO facility fee	303	375
NZX	200	164
Rating agency fees	297	282
Legal fees for issuance	164	93
Regulatory, registry, other fees	68	45
Trustee fees	50	50
Approved issuer levy <sup>1</sup>	893	1,019
Information Services	79	79
	<b>2,054</b>	<b>2,107</b>

1. The amount of Approved Issuer Levy is a function of the number of the offshore holders of LGFA bonds.

## 4 Operating expenses

Operating expenses are all other expenses that are not classified as 'Issuance and on-lending expenses'.

in \$000s	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017
Consultants <sup>1</sup>	105	68
Directors' fees	189	189
Insurance	31	30
Legal fees	35	53
Other expenses	390	364
Auditors' remuneration		
Statutory audit	48	44
Advisory services	-	-
Personnel	846	727
	<b>1,644</b>	<b>1,475</b>

1. Consultants includes \$66 for Treasury Systems Consultant (\$63, December 2017). Previously, this cost was reported within Other expenses (with associated treasury systems costs).

## 5 Loans to local government

in \$000s	Unaudited as at 31 December 2018		Audited as at 30 June 2018	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	25,041	27,541	5,015	25,603
Auckland Council	-	2,099,757	-	2,101,357
Bay of Plenty Regional Council	140,719		-	-
Buller District Council	-	20,013	-	20,014
Canterbury Regional Council	3,004	30,103	-	30,103
Central Hawkes Bay District Council	-	2,027	-	2,027
Christchurch City Council	85,264	1,872,128	85,273	1,573,566
Far North District Council	20,015	40,157	-	40,130
Gisborne District Council	-	47,827	-	37,275
Gore District Council	6,014	11,063	6,014	11,064
Greater Wellington Regional Council	-	376,454	-	306,302
Grey District Council	-	20,393	-	20,446
Hamilton City Council	-	401,787	-	366,483
Hastings District Council	1,980	121,992	1,957	75,280
Hauraki District Council	-	49,215	-	38,156
Horizons Regional Council	-	28,095	-	20,035
Horowhenua District Council	15,022	94,879	6,008	72,868
Hurunui District Council	-	32,133	-	23,098
Hutt City Council	10,987	176,930	4,996	152,802
Kaipara District Council	5,970	44,185	4,925	40,174
Kapiti Coast District Council	2,491	220,816	-	205,754
Manawatu District Council	-	68,212	-	61,180
Marlborough District Council	27,138	73,301	17,297	63,237
Masterton District Council	-	60,257	-	52,234
Matamata-Piako District Council	2,518	27,603	-	27,599
Nelson City Council	-	70,268	-	60,239
New Plymouth District Council	-	106,534	-	74,324
Northland Regional Council	-	8,698	-	8,634
Opotiki District Council	-	5,148	-	5,163
Otorohanga District Council	-	6,104	-	6,120
Palmerston North City Council	10,028	112,403	10,028	82,317
Porirua City Council	-	61,782	-	61,754
Queenstown Lakes District Council	10,081	85,890	10,096	75,954

in \$000s	Unaudited as at 31 December 2018		Audited as at 30 June 2018	
	Short-term loans	Loans	Short-term loans	Loans
Rotorua District Council	2,812	180,355	-	150,266
Ruapehu District Council	3,027	9,041	-	-
Selwyn District Council	5,040	25,075	-	15,021
South Taranaki District Council	-	82,382	-	62,278
South Wairarapa District Council	2,001	17,631	-	17,629
Stratford District Council	-	14,572	-	4,513
Tararua District Council	2,014	17,084	2,011	15,064
Tasman District Council	25,105	151,104	10,007	109,006
Taupo District Council	-	145,520	-	125,430
Tauranga City Council	9,965	442,532	-	362,308
Thames-Coromandel District Council	15,086	45,170	-	45,175
Timaru District Council	17,573	67,343	12,524	67,331
Upper Hutt City Council	4,989	38,172	4,976	31,638
Waikato District Council	-	90,430	-	80,382
Waikato Regional Council	-	22,100	-	-
Waimakariri District Council	10,012	135,898	20,024	105,818
Waipa District Council	34,207	13,015	-	13,016
Wairoa District Council	1,506	3,519	-	-
Waitomo District Council	10,057	30,111	10,066	25,086
Wellington City Council	-	465,913	-	395,384
Western Bay Of Plenty District Council	-	115,522	-	105,426
Westland District Council	-	17,383	2,998	14,361
Whakatane District Council	4,008	53,237	6,011	48,220
Whanganui District Council	-	82,434	5,005	73,367
Whangarei District Council	9,972	132,543	9,971	132,516
	523,647	8,801,784	235,202	7,740,526
		<b>9,325,431</b>		<b>7,975,728</b>

## 6 Bills on issue

Unaudited as at 31 December 2018 in \$000's	Face value	Unamortised premium	Accrued interest	Total
9 January 2019	50,000	-	(22)	49,978
29 January 2019	25,000	-	(37)	24,963
1 February 2019	40,000	-	(67)	39,933
5 February 2019	25,000	-	(47)	24,953
13 February 2019	50,000	-	(116)	49,884
22 February 2019	25,000	-	(72)	24,928
13 March 2019	50,000	-	(191)	49,809
20 March 2019	75,000	-	(321)	74,679
10 April 2019	25,000	-	(132)	24,868
13 May 2019	20,000	-	(149)	19,851
15 May 2019	25,000	-	(190)	24,810
12 June 2019	25,000	-	(231)	24,769
10 July 2019	25,000	-	(270)	24,730
17 July 2019	25,000	-	(280)	24,720
	<b>485,000</b>	<b>-</b>	<b>(2,124)</b>	<b>482,875</b>

Audited as at 30 June 2018 in \$000's	Face value	Unamortised premium	Accrued interest	Total
11 July 2018	50,000	-	(27)	49,973
27 July 2018	25,000	-	(36)	24,964
2 August 2018	125,000	-	(210)	124,790
6 August 2018	25,000	-	(47)	24,953
15 August 2018	50,000	-	(121)	49,879
23 August 2018	25,000	-	(72)	24,928
12 September 2018	50,000	-	(199)	49,801
26 September 2018	25,000	-	(121)	24,879
10 October 2018	25,000	-	(146)	24,854
31 October 2018	25,000	-	(177)	24,823
14 November 2018	25,000	-	(192)	24,808
12 December 2018	25,000	-	(232)	24,768
	<b>475,000</b>	<b>-</b>	<b>-1,579</b>	<b>473,421</b>

## 7 Bonds on issue

Bonds on issue do not include \$400 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 9: Treasury stock and bond repurchase transactions.

Unaudited as at 31 December 2018 in \$000's	Face value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
15 March 2019	1,240,000	2,579	18,497		
15 April 2020	980,000	(4,299)	6,300		
15 May 2021	1,450,000	50,874	11,296		
14 April 2022	540,000	2,219	3,223		
15 April 2023	1,429,000	60,662	16,842		
15 April 2025	1,229,000	(45,638)	7,242		
15 April 2027	1,236,000	49,043	11,919		
14 April 2033	600,000	(42,810)	4,558		
<b>Total</b>	<b>8,704,000</b>	<b>72,632</b>	<b>79,876</b>	<b>301,917</b>	<b>9,158,425</b>

Audited as at 30 June 2018 in \$000's	Face value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
15 March 2019	1,240,000	8,990	18,196		
15 April 2020	980,000	(5,904)	6,185		
15 May 2021	1,420,000	57,960	10,882		
14 April 2022	270,000	(223)	1,582		
15 April 2023	1,429,000	67,183	16,535		
15 April 2025	969,000	(44,090)	5,606		
15 April 2027	1,056,000	35,890	9,997		
14 April 2033	355,000	(31,672)	2,648		
<b>Total</b>	<b>7,719,000</b>	<b>88,134</b>	<b>71,631</b>	<b>222,239</b>	<b>8,101,004</b>

## 8 Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to 1.6% of the aggregate borrowings by that local authority.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

## 9 Treasury stock and bond repurchase transactions

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position.

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

Each month, LGFA notifies the market the amount of outstanding repurchase transactions and LGFA bonds held as treasury stock.

Bond repurchase transactions:

Maturity date		Unaudited as at 31 December 2018	Audited as at 30 June 2018
15 March 2019	5% coupon	-	1,035
15 April 2020	3% coupon	-	4,076
15 May 2021	6% coupon	-	-
14 April 2022	2.75% coupon	-	-
15 April 2023	5.5% coupon	5,660	-
15 April 2025	2.75% coupon	-	-
15 April 2027	4.5% coupon	-	1,072
14 April 2033	3.5% coupon	-	-
		<b>5,660</b>	<b>6,183</b>

## 10 Other assets

	Unaudited as at 31 December 2018	Audited as at 30 June 2018
Intangible assets <sup>1</sup>	533	609
<b>Total</b>	<b>533</b>	<b>609</b>

1. Intangible assets comprise acquired and internally developed software costs incurred on the implementation of LGFA's treasury management system.

## 11 Reconciliation of net profit/(loss) to net cash flow from operating activities

in \$000s	Unaudited six months ended 31 December 2018	Unaudited six months ended 31 December 2017
Net profit/(loss) for the period	6,075	6,036
Cash applied to loans to local government	(1,338,445)	247,203
Non-cash adjustments		
Amortisation and depreciation	4,043	304
Working capital movements		
Net change in trade debtors and receivables	(196)	(207)
Net change in prepayments	(308)	(343)
Net change in accruals	(172)	(142)
<b>Net Cash From operating activities</b>	<b>(1,329,003)</b>	<b>252,851</b>

## 12 Share Capital

As at 31 December 2018, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled. All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

### Shareholder Information

	31 December 2018		30 June 2018	
New Zealand Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames-Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	<b>45,000,000</b>	<b>100%</b>	<b>45,000,000</b>	<b>100%</b>

### 13 Loans to local government not yet advanced

As at 31 December 2018, loans to local government totaling \$9 million, and associated borrower notes for \$0.144 million, had been contractually agreed for forward settlement in March 2019

### 14 LGFA December 2017 bond maturity

The nominal value of the 15 December 2017 6% coupon bond maturity was \$1,015 million. Loans to councils with nominal values totalling \$879 million, and associated nominal borrower notes totalling \$14 million, also matured on 15 December 2017.

### 15 Related parties

#### Identity of related parties

The Company is related to the local authorities set out in the Shareholder Information in note 12.

The Company operates under an annual Statement of Intent with the respective local authorities that sets out the intentions and expectations for LGFA's operations and lending to participating local authorities.

Shareholding local authorities, and non-shareholder local authorities who borrow more than \$20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

#### Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating councils. The lending to individual councils is disclosed in note 5, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating councils. Refer note 8.

NZDMO provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

### 16 Subsequent events

Subsequent to balance date:

LGFA has issued \$190 million in bonds through a tender on 12 February 2019.

On 31 January 2019, Standard and Poor's (S&P) placed the New Zealand Government issuer credit rating on Positive Outlook. The ratings outlook

change applied to the Foreign Currency credit rating of "AA/A-1+" and Local Currency credit rating of "AA+/A-1+".

Following the change to the New Zealand Government outlook, S&P placed the issuer credit ratings of LGFA on positive outlook. The LGFA Foreign Currency credit rating of "AA/A-1+" and Local Currency rating of "AA+/A-1+" have been affirmed by S&P and are now both on positive outlook.

# Other disclosures

## Whākitanga

### Waivers from NZX Limited (NZX)

LGFA's fixed rate bonds are quoted on the NZX Debt Market (LGFA Bonds). NZX has granted LGFA a number of waivers from the NZX Listing Rules.

#### Waiver from Rule 3.2.1

NZX has granted LGFA a waiver from NZX Listing Rule 3.2.1(a) to the extent that this requires the trust deed under which the LGFA Bonds are issued (Trust Deed) to provide that the appointment of a new trustee is to be approved by an extraordinary resolution of the holders of the Securities to which the Trust Deed relates. Effective from 10 May 2016, LGFA ceased to rely on this waiver as the Trust Deed was amended to comply with NZX Listing Rule 3.2.1(a).

#### Waiver from Rule 5.2.3

NZX has granted LGFA a waiver from NZX Listing Rule 5.2.3 to the extent that this requires the LGFA Bonds to be held by at least 100 members of the public holding at least 25% of the number of securities of that class issued.

The waiver from NZX Listing Rule 5.2.3 was provided on the conditions that:

- a. LGFA clearly and prominently disclose the waiver, its conditions and its implications in its annual reports and in each profile or Offering Document for the LGFA Bonds;
- b. LGFA will disclose market liquidity as a risk in each offering document (excluding any offering document referred to in paragraph (f) of the definition of "Offering Document" under NZX Listing Rule 1.6.1) for the LGFA Bonds; and
- c. the nature of LGFA's business and operations do not materially change from its business and operations as at the date of the waiver decision.

The effect of the waiver is that the LGFA Bonds may not be widely held and there may be reduced market liquidity in the LGFA Bonds.

#### Waiver from Rule 6.3.2

NZX has granted LGFA a waiver from NZX Listing Rule 6.3.2 so that the deemed date of receipt of notices for a holder of LGFA Bonds who has supplied LGFA with an address outside of New Zealand, will be five working days after that notice is posted to that physical address.

#### Net Tangible Assets

Net tangible assets per \$1,000 of listed bonds as at 31 December 2018 is \$7.58 (30 June 2018: \$7.92).

# Directory

## Rārangi tauwaea



### Postal address

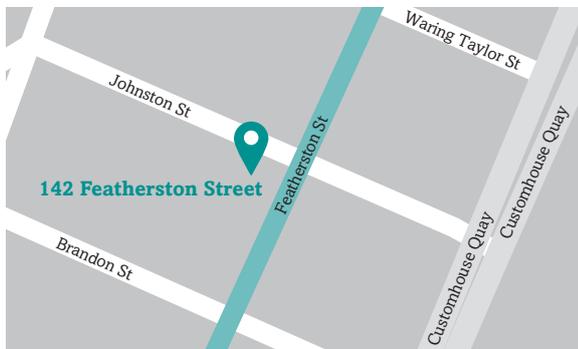
PO Box 5704  
Lambton Quay  
Wellington 6145

### Office hours

Monday through Friday,  
09.00-17.30 hrs

Except Public Holidays

### Street address



### WELLINGTON

Level 8  
City Chambers  
142 Featherston Street  
Wellington 6011



### Phone

+64 4 974 6530



### Personnel e-mail addresses

firstname.lastname@lgfa.co.nz

### Website

**[www.lgfa.co.nz](http://www.lgfa.co.nz)**

### General enquiries

[lgfa@lgfa.co.nz](mailto:lgfa@lgfa.co.nz)



### AUCKLAND

Level 5  
Walker Wayland Centre  
53 Fort Street  
Auckland 1010



NEW ZEALAND LOCAL  
GOVERNMENT FUNDING AGENCY  
TE PŪTEA KĀWANATANGA Ā-ROHE

27 February 2019

Dear Shareholder

### **Draft Statement of Intent 2019/20**

Please find attached a copy of the Draft Statement of Intent (SOI) for the 2019/20 year.

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

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

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

For our shareholders we are focused on

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

The following points regarding the Draft 2019/20 SOI are worth noting:

- Profitability is forecast to remain strong with projections for Net Operating Gain of \$10.9 million, \$11.2 million and \$10.9 million for the next three years, which is similar to results from previous years. However, we remain cautious in placing too much emphasis on the Year Three (2021/22) forecast given that over the next three years, we estimate that \$3.6 billion of our LGFA bonds and \$3.0 billion of council loans mature. Assumptions regarding timing of refinancing and interest rates have a meaningful impact on financial projections.
- Net interest income is expected to remain constant over the next three years as the balance sheet grows from council lending and we hold additional liquid assets to manage the LGFA bond maturities. However, this is offset by a modest reduction in on-lending margins as loans to councils made in previous years at higher margins are refinanced by councils at maturity with lower margin loans.
- We have increased our forecast for Local Government loans (short and long term) outstanding as at June 2020 to \$9.524 billion and to \$9.806 billion as at June 2021 (from \$8.421 billion and \$8.185 billion in the previous SOI). This reflects the higher long-term borrowing requirement outlined by councils in their 2018-28 Long-Term Plans, increased utilisation of short term borrowing from LGFA by councils and a surge in new council

members who typically refinance their debt with LGFA upon joining. In last year's SOI, we had also been conservative in expecting a reduction in borrowing appetite from councils because of the Housing Infrastructure Fund facility and other Central Government initiatives.

- We have assumed a small narrowing in credit margins as the credit quality of the sector improves and councils get ratings upgrades. There are no forecast changes to the on-lending margins given the base lending margin now averages 10 bps (0.10%). Any further reductions in the base margin is unlikely as we need to ensure we have enough capital to match the growth in the balance sheet. LGFA on-lending margins are the narrowest when compared with our international peers.
- Compared to the previous SOI, issuance and on-lending costs, excluding Approved Issuer Levy ("AIL") are forecast to be around \$200k to \$300k higher in each of the 2019/20 and 2020/21 financial years reflecting higher lending and issuance volumes.
- The SOI performance targets are similar to targets in the previous SOI except we have replaced the objective relating to savings to council borrowers with a survey-based measure as to the perceived "value add" by LGFA to councils. It has become increasingly difficult to accurately measure savings in borrowing costs due to the lack of single name bond issuance by councils who are not members of LGFA.
- As noted above, there is some timing uncertainty within the SOI forecast relating to Local Government loans and LGFA bonds outstanding as we need to project both the repayment amount and repayment timing of the Local Government loans that are due to mature in April 2020, May 2021 and April 2022. Decisions made by our council members regarding early refinancing will have a phasing impact across all three years in the SOI forecast.

If you have any questions or wish to provide comments by 30 April 2019 then please feel free to contact myself or any member of the Shareholders Council. The LGFA Board will consider any feedback received and provide a final version of the SOI to shareholders by 30 June 2019.

Yours sincerely



Mark Butcher  
Chief Executive



## Statement of Intent 2019/20

### 1. Introduction

This Statement of Intent (SOI) sets out the intentions and expectations of New Zealand Local Government Funding Agency Limited (LGFA).

The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

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

### 2. Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

In lending to Participating Local Authorities, LGFA will:

- Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- Educate and inform Participating Local Authorities on matters within the scope of LGFA's operations;
- Provide excellent service to Participating Local Authorities;
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- Ensure its products and services are delivered in a cost-effective manner.

### 3. Objectives

#### Principal Objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- Achieve the objectives and performance targets of the shareholders in LGFA (both commercial and non-commercial) as specified in this SOI;
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- Conduct its affairs in accordance with sound business practice.

#### Primary Objectives

LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:

- Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;
- Offering short and long-term borrowings with flexible lending terms;
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
- Being the debt funder of choice for New Zealand local government.

LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes

- LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis;
- Implement the changes to the Foundation Policies that were approved at the November 2018 AGM to allow for lending to CCOs. Changes to operational policies and practices need to ensure that no additional risk is borne by lenders, guarantors or the Crown and
- LGFA will analyse finances at the Council group level where appropriate and report to the Shareholder Council and shareholders as to which Participating Local Authorities are measured on a group basis.

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

**Additional objectives**

LGFA has a number of additional objectives which complement the primary objectives. These objectives will be measurable and achievable and the performance of the company in achieving its objectives will be reported annually. These additional objectives are to:

- Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy;
- Provide at least 75% of aggregate long-term debt funding to the Local Government sector;
- Achieve the financial forecasts (excluding the impact of AIL) set out in section 4;
- Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4;
- Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015;
- Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency;
- Introduce CCO lending by December 2019 and report quarterly, the volume of lending to CCOs to both the Shareholder Council and shareholders and
- Comply with its Treasury Policy, as approved by the Board.

The measurement of the company performance regarding these additional objectives are set out as Performance Targets in Section 5 of this SOI.

#### 4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2022 are:

FINANCIAL YEAR (\$M)	SOI		
	Jun-20	Jun-21	Jun-22
<b>Comprehensive income</b>			
Interest income	272.1	293.2	294.0
Interest expense	253.6	274.2	275.1
<b>Net Interest income</b>	<b>18.4</b>	<b>19.0</b>	<b>18.9</b>
Issuance and on-lending costs	2.3	2.4	2.4
Approved Issuer Levy	1.5	1.6	1.6
Operating expenses	3.7	3.9	4.0
<b>Issuance and operating expenses</b>	<b>7.6</b>	<b>7.8</b>	<b>8.0</b>
<b>P&amp;L</b>	<b>10.9</b>	<b>11.2</b>	<b>10.9</b>
<b>Financial position (\$m)</b>	<b>Jun-20</b>	<b>Jun-21</b>	<b>Jun-22</b>
Capital	25.0	25.0	25.0
Retained earnings	60.5	70.2	79.6
Total equity	85.5	95.2	104.6
Shareholder funds + borrower notes / Total assets	2.4%	2.5%	2.5%
Dividend provision	1.5	1.5	1.5
Total assets (nominal)	9,743.9	9,953.8	10,164.3
Total LG loans - short term (nominal)	460.0	460.0	460.0
Total LG loans (nominal)	9,100.2	9,346.0	9,418.7
Total bills (nominal)	425.0	425.0	425.0
Total bonds (nominal) ex treasury stock	9,064.0	9,264.0	9,454.0
Total borrower notes (nominal)	145.6	149.5	150.7

Note that there is some forecast uncertainty around the timing of Net Interest Income, Profit and Loss, Total Assets, LG Loans, Bonds and Borrower Notes depending upon council decisions regarding the amount and timing of refinancing of their April 2020, May 2021 and April 2022 loans. LGFA will work with council borrowers to reduce this uncertainty.

#### 5. Performance targets

LGFA has the following performance targets:

- LGFA's net interest income for the period to:
  - 30 June 2020 will be greater than \$18.40 million.

- 30 June 2021 will be greater than \$19.00 million.
- 30 June 2022 will be greater than \$18.90 million.
- LGFA’s annual issuance and operating expenses (excluding AIL) for the period to:
  - 30 June 2020 will be less than \$6.10 million.
  - 30 June 2021 will be less than \$6.20 million.
  - 30 June 2022 will be less than \$6.40 million.
- Total lending to Participating Local Authorities<sup>1</sup> at:
  - 30 June 2020 will be at least \$9,560 million.
  - 30 June 2021 will be at least \$9,806 million.
  - 30 June 2022 will be at least \$9,879 million.
- Conduct an annual survey of councils who borrow from LGFA and achieve at least an 80% satisfaction score as to the value added by LGFA to the council borrowing activities.
- Meet all lending requests from Participating Local Authorities, where those requests meet LGFA operational and covenant requirements.
- Achieve 75% market share of all council borrowing in New Zealand.
- Review each Participating Local Authority's financial position, its headroom under LGFA policies and arrange to meet each Participating Local Authority at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.
- Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.

## 6. Dividend policy

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders. Consequently, it is intended to pay a limited dividend to Shareholders.

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

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

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<sup>1</sup> Subject to the forecasting uncertainty noted previously

## 7. Governance

### Board

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

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

The Board's approach to governance is to adopt best practice<sup>2</sup> with respect to:

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

All directors are required to comply with a formal Charter, to be reviewed from time to time in consultation with Shareholders.

The Board will meet on a regular basis and no fewer than 6 times each year.

### Shareholders' Council

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

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

## 8. Information to be provided to Shareholders

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

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<sup>2</sup> Best practice as per NZX and Institute of Directors guidelines

## **Annual Report**

The LGFA's balance date is 30 June.

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

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

## **Half Yearly Report**

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

- Directors' commentary on operations for the relevant six-month period.
- Comparison of LGFA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

## **Quarterly Report**

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

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

- To the extent known by LGFA, details of all events of review in respect of any Participating Local Authority that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).

### **Statement of Intent**

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

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

### **Shareholder Meetings**

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

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

## **9. Acquisition/divestment policy**

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

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

## **10. Activities for which compensation is sought from Shareholders**

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

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

## **11. Commercial value of Shareholder's investment**

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

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

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

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

## **12. Accounting policies**

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

**The following statement is taken from the Financial Statements presented as part of LGFA's Annual Report 2018 (updated where necessary).**

### **ATTACHMENT: Statement of accounting policies**

#### **a. Reporting Entity**

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

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

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

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

#### **b. Statement of Compliance**

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

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

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

#### **c. Basis of Preparation**

##### **Measurement base**

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

The financial statements are prepared on an accrual basis.

**Functional and presentation currency**

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

**Foreign currency conversions**

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

**Changes in accounting policies**

There have been no changes in accounting policies.

**Early adoption standards and interpretations**

NZ IFRS 9: Financial Instruments. The first two phases of this new standard were approved by the Accounting Standards Review Board in November 2009 and November 2010. These phases address the issues of classification and measurement of financial assets and financial liabilities.

**Standards not yet adopted**

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. Those which may be relevant to LGFA are as follows:

NZ IFRS 9: Financial Instruments (2014) – Effective for periods beginning on or after 1 January 2018. This standard aligns hedge accounting more closely with the risk management activities of the entity and adds requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit.

**d. Financial instruments****Financial assets**

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

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

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

At each balance date an assessment is made whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

**Financial liabilities**

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

**Derivatives**

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

**Fair value hedge**

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

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

**e. Other assets****Property, plant and equipment (PPE)**

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

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

**Intangible Assets**

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

**f) Other liabilities****Employee entitlements**

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

**g) Revenue and expenses****Revenue****Interest income**

Interest income is accrued using the effective interest rate method.

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

**Expenses**

Expenses are recognised in the period to which they relate.

**Interest expense**

Interest expense is accrued using the effective interest rate method.

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

**Income tax**

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

**Goods and services tax**

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

**h. Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

**i. Segment reporting**

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

**j. Judgements and estimations**

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. Refer note 2b for fair value determination for financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future

periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.

**Document No:** A422992

**Report To:** Council



**Meeting Date:** 26 March 2019

**Subject:** Waikato Local Authority Shared Services –  
Half Yearly Report to Shareholders to 31  
December 2018

**Type:** Information Only

## Purpose of Report

- 1.1 The purpose of this business paper is to present to Council the Waikato Local Authority Shared Services (WLASS) – Half Yearly Report to Shareholders to 31 December 2018.

## 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 services and performance across the Waikato region, and to reduce costs for the Councils.
- 2.2 The principle initiatives operating under the WLASS umbrella are:
- Shared Valuation Data Service (SVDS)
  - Road Asset Technical Accord (RATA)
  - Waikato Regional Transportation Model
  - Waikato Building Consent Group (WBCG)
  - Future Proof
  - Regional Infrastructure Technical Specifications
  - Energy Management
  - Procurement
  - Historic aerial photos
  - Waikato Regional Aerial Photography Service
  - Aligned resource consent planning
  - Local government contract health and safety pre-qualification
- 2.3 A copy of the WLASS – Half Yearly Report to Shareholders to 31 December 2018 is attached to and forms part of this business paper.

## Commentary

- 3.1 The half year report states that the most significant piece of work completed during the period was delivery of the plan to implement a new operating model (the WLASS transformation project). During the period, a Business Analyst and part-time Company Administrator were also appointed.
- 3.2 The half yearly report advises that subsequent to the half yearly report, the WLASS Board will be appointing a full-time Chief Executive (previously 2 days per week)

and recommending shareholders resolve to change the composition of the Board, appointing an independent Chairperson and reducing the number on the Board to six (to be discussed as part of 2019 Statement of Intent). As a consequence of these changes there will be some increase to administration costs.

- 3.3 The highlights of activity during the six months to 31 December 2018 are set out on pages 4-6 of the attachment.
- 3.4 An update on the performance measures included in the Statement of Intent for 2018/19 for the six months ended 31 December 2018 is set out on pages 7-12 of the report.
- 3.5 The majority of targets have been met or are on target to be achieved. Two measures are behind schedule with one expected to be achieved by June 2019 and the other delayed and unlikely to be achieved by June 2019. These are –
- Reports are presented to RATA Councils in Oct/Jan/Apr/Jul – the October report was late in being delivered to four Council's.
  - Waikato Building Consent Group – One of the milestones relating to lifting industry competency and compliance has not been achieved. The WBCG manager has been working with WINTEC students on building consenting and compliance. The project is yet to be allocated and scope defined.
- 3.6 The WLASS revenue was \$3.1m against a budget of \$2.5m. The main reason for this variance was the recognition of revenue in advance from prior year that was not budgeted. The main workstreams contributing to this variance were Waikato Building Consent Group, Procurement, Mayoral Forum and Waikato Plan.
- 3.7 WLASS expenditure was \$2.0m against a budget of \$2.6m. The main reason for the variance is due to the timing of expenditure against budget. The favourable variance to YTD budget is expected to abate over the remainder of the year. The main workstreams contributing to the variance were Waikato Plan, Procurement, Waikato Building Consent Group and RATA.
- 3.8 Minor over-expenditures were recognised for the following initiatives - Information Technology (\$34K), Mayoral Forum (\$17K) and FutureProof (\$9K).
- 3.9 The WLASS financials are included on pages 13-16 of Attachment 1.

### Suggested Resolutions

The business paper on Waikato Local Authority Shared Services (WLASS) – Half Yearly Report to Shareholders to 31 December 2018 be received for information.



VIBHUTI CHOPRA  
**GROUP MANAGER – CORPORATE SERVICES**

11 March 2019

Attachment: WLASS – Half Yearly Report to Shareholders to 31 December 2018  
(Doc A422982)



# **Half-yearly report to Shareholders**

1 July 2018 to 31 December 2018

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## 1 Introduction

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The Board of Waikato Local Authority Shared Services Ltd (WCLASS) is pleased to present its report to shareholders on the first half of the 2019 financial year (to 31 December 2018). During the period the first steps have been taken to reorganise the way WCLASS operates and interacts with its shareholding councils, to generate greater value. The vision for the future is more fully detailed in the company's 2019 Statement of Intent (SOI).

## 2 Overview of WCLASS

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WCLASS was established in December 2005. It is jointly owned by the following shareholding councils:

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

WCLASS was initially established to provide the local authorities in the Waikato Region with a vehicle to procure shared services. The key purpose of WCLASS has evolved and it now drives collaboration between councils, aiming to improve customer service and performance and reduce costs.

The vision for WCLASS is to be:

*The enabler for Councils to provide their services in the most effective and efficient way*

Its objectives 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; and
- To promote business transformation to improve customers' experiences.

The Board of WCLASS comprises a representative from each of the shareholding Councils<sup>1</sup>.

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<sup>1</sup> In February 2019 Shareholders were asked to pass a resolution to reduce the size of the Board to six, including the appointment of an independent Chair.

The company has several key workstreams. However, the resource within WLASS itself during the period comprised a contracted Chief Executive (part-time) and since November, a part-time Company Administrator (see below for detail on changes since period end). Beyond that, it has established working parties made up of employees from the Councils who are charged with advancing the workstreams.

Each of the 12 Waikato local authorities owns a share in WLASS and as such has an equal say in its development.

### 3 Statement of Service Performance

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Since its inception the company has delivered benefits to its shareholding councils through enabling:

- 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; and
- Economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

#### 3.1 Activity during the period

Highlights of activity during the six months to 31 December 2018 are:

##### WLASS transformation project

The most significant piece of work for the company throughout the period has been delivering the plan to implement a new operating model. Detail of this transformation project is included in the company's SOI. However, during the period that project has resulted in the appointment of a Business Analyst and Company Administrator (part-time). These roles represent the first employees of WLASS.

Subsequent to the period in question the Board will be also:

- Appointing a full-time Chief Executive (to date this role has been contracted in two days per week); and
- Recommending shareholders resolve to change the composition of the Board, appointing an independent Chair and reducing the number on the Board to six.

As a consequence of these changes there has been/will be some increase to the company's central administration costs. Chief executives of the shareholding councils supported the need for this additional investment, which can be accommodated within existing budget in the 2019 financial year<sup>2</sup>.

##### Health & Safety

WLASS completed the development of a Regional Health & Safety Management framework, together with 13 Best Practice documents. These documents will assist councils to manage

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<sup>2</sup> Funding being sought for financial years 2020-2022 is set out in the company's SOI

health and safety effectively, and guide Chief Executives and senior leaders to understand their roles and responsibilities.

## Procurement

### *Professional services panel*

Initial work took place to re-market the WLASS professional services panel. This is a significant piece of work to standardise the terms and conditions for engagement with professional service providers across several disciplines. The Request for Proposal was issued to the market mid-February, with the evaluation process taking place to allow contracts to take effect in the latter half of 2019. When the current panel was established four councils elected to participate. Significantly, this time round ten councils will be participating, reflective of the significant efficiencies to be gained from this form of procurement.

### *Procurement framework*

A regional procurement framework has been established. The document sets a minimum standard for procurement practice across the region. Initial working establishing the procurement toolbox was undertaken and this, together with procurement training, will be rolled out in the first half of 2019.

## SVDS

SVDS activity centred around establishing a new SVDS service contract under a Software As A Service (SAAS) arrangement which was concluded in September. Since then Waipa District Council have been the pilot for the new software with implementation underway. Member charges will continue to reduce under the new arrangement, and it is expected that these will not be necessary beyond 2020, providing revenue from data sales remains intact.

## Waikato Data Portal

Phase 1 of a roadmap to toward regional spatial information has progressed well throughout the period. The output from Phase 1 is a single centralised Data Portal. Ultimately, the expectation is to progress toward a centralised and distributed GIS platform managed by one team.

An implementation Project charter was developed and a governance group to oversee the project established. Build of the data portal is now well underway and council have been trained on using the data portal application.

## RATA

New data collection contracts covering manual data collection (visual rating surveys, footpath condition surveys, and traffic counting) commenced on 1 July 2018.

Taupo District Council joined RATA on 1 July 2018 and South Waikato District Council made the decision to move to a higher level of participation in RATA, with the increased level of support to the council commencing in January 2019.

There has been significant activity during the period including:

- Workshops to develop a consistent regional maintenance specification (these have been well attended and good progress has been made);
- Completing the forward works programme tour for 2018 (part of the Assessing The Right Treatments, At the Right Time programme);

- Publishing Road Efficiency Group Data Quality Reports. RATA's Asset Information Engineer has been using these reports to support data quality improvement tasks within each of the participating councils; and
- Investigating collaboration opportunities in the Waters activities across seven participating councils (a Mayoral forum initiative).

### **Future proof**

The key project underway is the phase 2 update of the Future Proof Strategy, with a draft completed and submitted to Ministry for the Environment in December. Work will continue this year to develop the strategy to ensure alignment with other projects, including the Hamilton-to-Auckland Corridor Plan and Waikato District blueprints.

### **Regional Infrastructure Technical Specifications (RITS)**

The project plan for the RITS provided for six- and twelve-month reviews following adoption, with subsequent annual updates. This was to allow users to live test the document and identify any issues and improvements.

The first review is underway with feedback received from various council staff and consultants over the last six months. The feedback is being worked through and at the same time the document is being checked for errors, omissions and inconsistencies. We have received positive feedback and comments indicate the RITS is being widely used and the identified benefits are being realised.

Councils outside the Waikato region expressed interest in adopting the RITS and WLASS is progressing this opportunity.

### **Energy management**

WLASS is in the third year of a three-year collaboration with the Energy Efficiency Conservation Authority (EECA) who have supported the programme by part funding energy management professional services, energy audits and energy monitoring software (Epro).

The collaboration with EECA targeted 2.5 million kWh of energy savings across the three-year programme. As at 31 December 2018, implemented projects will deliver savings of 3.3 million kWh with a value of \$440k. Of this sum, \$153k is related to cost reductions arising from optimising energy tariffs and demand charges.

### **Aligned resource consent planning**

The alignment of resource consent documentation across councils went live in August. Processing resource consents is now more efficient and user friendly, delivering a better service to customers.

### 3.2 Performance Targets

The following performance measures were included in the Statement of Intent for the 2018/19 financial year. An update on their status as at 31 December 2018 is shown in the table below.

**Key:**

- On track: has been completed or will be by 30 June 2019
- Currently behind schedule but target expected to be met by 30 June 2019
- Currently behind schedule and target unlikely to be met by 30 June 2019

Target	Method	Measure	Outcome	
<b>Procurement</b> 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 integration.	The Procurement Specialist has developed standard regional procurement policies, templates and procedures and provided training in each council by the end of the financial year.	The Regional procurement framework is complete. The associated toolbox and training are expected to be delivered in March 2019.	<span style="color: green;">●</span>
		New suppliers are awarded contracts through a competitive tender process.	Competitive tendering for professional services is currently underway.	<span style="color: green;">●</span>
<b>Collaborative Projects</b> Priorities for collaboration are identified, business cases are developed for the highest priority projects, and the projects are implemented.	The focus is on shared services which will benefit all councils.	A minimum of three priority projects for collaboration are identified per annum.  If considered of value, business cases are developed for approval by the Board, and the projects are implemented.	The WLASS transformation is being delivered. The Professional Services Panel is being re-tendered with ten councils participating (previously four). Opportunities relating to the go-to-market strategy for capital works are being considered. A business case for regional LiDAR at a significantly reduced cost utilising PGF co-funding has been developed. The Health & Safety Management framework and Best Practice documents have been completed.	<span style="color: green;">●</span>
<b>Existing WLASS Contracts</b> Existing contracts are managed and renegotiated as required.	Appointed vendors deliver on the terms of their contracts and deliver value to the shareholders.	The WLASS Contracts Register is maintained and managed.	Ongoing	<span style="color: green;">●</span>
		Contracts which are due for renewal are tested for competitiveness and either renegotiated or re-tendered through a competitive process.	Contracts have been re-negotiated and where appropriate re-tendered through a competitive process.	<span style="color: green;">●</span>

Target	Method	Measure	Outcome	
<b>Cashflow</b> The company shall maintain a positive cashflow position.	The Financial Accountant reviews cashflow monthly, and the WLASS Board reviews the financial statements quarterly.	The WLASS Board reviews the financial statements at least quarterly.	Management accounts, including financial performance and cashflow are reported at each Board meeting (six time per annum)	
<b>Cost Control</b> 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.	Administration expenditure is expected to exceed the 2019 budget by 52%. This is solely a product of the WLASS transformation and the associated change to the operating model which was approved by the Board in September 2018. The 2019 position has been reforecast as a result.	
<b>Reporting</b> Six monthly reports provided to Shareholders.	The Chief Executive prepares a written report for the WLASS Board every meeting.  One 6-monthly and one Annual Report are prepared for shareholders.	The Board shall provide a written report on the business operations and financial position of WLASS to the shareholders every six months.  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.	Half-yearly report will be delivered in February 2019.  The 2018 Annual report was prepared and provided to shareholders in September 2018.	  
<b>Waikato Mayoral Forum</b> 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 <sup>th</sup> of the month following their receipt.	Ongoing	
<b>SVDS</b> 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.  The SVDS Advisory Group meets at least 6-monthly.  The Annual Business Plan is accepted by the Advisory	On target – the SVDS has been available 100% for users during normal business hours.  On target. Two meetings held in first 6 months; August & November  Not yet due	  



Target	Method	Measure	Outcome	
	<p>develop new approaches that will lead to optimal asset management.</p> <p>Leadership: Lead engagement and increase capability within the sector.</p>	<p>practice are produced each year.</p> <p>RATA Forums are held 2-monthly to share learnings and experience.</p>	<p>data quality reports to support improvement planning.</p> <p>RATA is supporting Waters Collaboration investigation work for seven participating councils.</p> <p>RATA Fora were held two-monthly during 2018 with high levels of attendance from participating councils.</p>	
<p><b>WRTM</b></p> <p>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 WLASS 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), and is independently peer reviewed each time the model is updated.</p>		<p>●</p> <p>●</p> <p>●</p>
<p><b>Waikato Building Consent Group</b></p> <p>Provide strategic direction and actively pursue improvements in Building Control across the Waikato region.</p>	<p>Implement the strategic priorities detailed in the "Build Waikato" May 2017 strategic review document.</p>	<p>Milestones for the five strategic review work streams are achieved for:</p> <ul style="list-style-type: none"> <li>• Digital experience and technology: a common online customer experience. Success is defined as user friendly, convenient, quick, end-to end management and communication, measured by customer surveys and systems comparisons.</li> <li>• People capability. Success is defined as a successful recruitment and training programme, measured by compliance with BCA Reg. 8 - 11.</li> </ul>		<p>●</p> <p>●</p>

Target	Method	Measure	Outcome	
	Fulfil the roles and responsibilities set out in clause 9 of the WBCG's Memorandum of Understanding, 2016.	<ul style="list-style-type: none"> <li>• Quality assurance. Success is defined as continued accreditation and increased service consistency, measured by accreditation outcomes, BCA annual audits, and customer surveys.</li> <li>• Lift industry competency and compliance. Success is measured by increased industry compliance, with reduced RFIs, and reducing percentages of application or building consent rejection.</li> <li>• Central government: engagement and legislative influence. Success is measured by legislative submissions and outcomes.</li> </ul> <p>There is a common understanding and buy-in by all BCAs for the WBCG vision and actions that are taken to achieve this vision, measured by:</p> <ol style="list-style-type: none"> <li>i. Full participation in WBCG projects and programmes</li> <li>ii. Audits demonstrating implementation and compliance with the agreed QA systems</li> <li>iii. Consistency in service delivery, measured by customer surveys.</li> </ol> <p>Risk management is visible through regular reviews of the Risk Register.</p> <p>All funding requirements are met by each of the participating councils.</p> <p>Minimum of two reports presented to the WLASS Board on the Group's activities.</p>	<p>The WBCG manager has been working with WINTEC students on building consenting and compliance. The project is yet to be allocated and scope defined.</p> <p>Relationship building and lobbying is on-going. No legislative consultation during the year to date.</p>	     
<b>Future Proof</b> Planning for growth in the sub-region is	Joint preparation and input into	Phase 2 of the Future Proof Strategy is adopted by the Future Proof	The draft Future Proof Strategy (phase 2) was reported to the Future	

Target	Method	Measure	Outcome	
<p>co-ordinated and collaborative.</p> <p>The Future Proof budget is well managed and monitored.</p> <p>Future Proof influences and inputs into District Plan, Regional Plan, growth strategy and any other planning processes which manage growth within the sub-region and neighbouring regions.</p>	<p>Phase 2 of the Strategy update.</p> <p>Bi-monthly reports presented to Waikato Plan and Future Proof Chief Executive Group, and six monthly and annual reports to WLASS Board.</p> <p>Future Proof works collaboratively and provides input into the planning work undertaken by all FP partners and any other relevant planning authorities.</p>	<p>Implementation Committee no later than December 2018.</p> <p>The overall Future Proof work programme is delivered within the approved budget.</p> <p>Future Proof makes submissions (using RMA and Local Government processes), on District Plans, LTPs, growth management planning documents, and any central government initiatives which have the potential to impact growth management planning in the sub-region.</p>	<p>Proof Implementation Committee and submitted to MfE in December 2018. Work will continue on the draft Strategy in 2019 to ensure alignment with the Hamilton to Auckland Corridor Plan.</p> <p>The Future Proof work programme to the end of December 2018 is tracking on budget. A bi-monthly budget report was reported to the Future Proof Chief Executive Group in February 2019.</p> <p>Future Proof made two submissions in 2018, on the Proposed Waikato District Plan and Proposed Plan Change 11 to the Waipa District Plan (Bardowie Industrial Precinct).</p>	
<p><b>Aligned Resource Consent Planning Project</b></p> <p>Implementation of the Aligned Resource Consent Planning project is underway during 2018/19.</p>	<p>Progress on implementation of common forms and other initiatives is reported to shareholders on a regular basis.</p>	<p>Common forms are in place for all Councils involved by December.</p>	<p>The forms went live in the 2<sup>nd</sup> half of 2018.</p>	
<p><b>Shareholder Survey</b></p> <p>Shareholders are satisfied with the performance of WLASS.</p>	<p>An annual survey of shareholders is undertaken to assess satisfaction levels with WLASS.</p>	<p>A survey of shareholders is undertaken each year, and the results are reported to all shareholders.</p>	<p>Survey will be distributed to shareholders in March 2019.</p>	
<p><b>Review of Benefits</b></p> <p>Shareholders are informed of the benefits being provided to shareholding councils by WLASS.</p>	<p>The benefits of WLASS (including financial and non-financial achievements) are regularly analysed and reported to shareholders.</p>	<p>Information on the financial and non-financial benefits being achieved by WLASS are included in the 6-monthly and Annual Report to shareholders. The WLASS website is regularly maintained and updated.</p>	<p>WLASS achievements are included in this report and were set out in the 2018 Annual Report provided to shareholders in September 2018. The WLASS website has been updated where appropriate.</p>	

## 4 WCLASS Financial Position

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### 4.1 Summary

#### By the numbers:

Summary financial results for the six months to 31 December 2018 are:

	2019 actual YTD \$000	2019 budget YTD \$000	Variance \$000 (actual v budget)
Total income	3,105,924	2,520,409	585,515
Total operating expenditure	2,001,758	2,590,692	588,934
Net surplus before tax	1,104,166	(70,283)	1,174,449
Cash on hand	346,329	n/a	n/a

The favourable variance to budget YTD is expected to largely abate over the remainder of the year and reflects timing of spend on some workstreams and the recognition of revenue in advance from the prior year that was not budgeted.

#### Outcome of 2017 audit

Audit New Zealand issued an unqualified audit opinion on the company's 2017 Financial Statements. No issues were raised by the auditor, which was a very pleasing result.

## 4.2 Statement of Financial Performance

### Waikato Local Authority Shared Services For the 6 months ended 31 December 2018

	YTD ACTUAL	YTD BUDGET	VARIANCE	FY BUDGET	FORECAST	PY ACTUAL
<b>Trading Income</b>						
Company Administration	250,199	253,140	(2,941)	299,784	359,868	216,847
Procurement	301,314	169,920	131,394	439,166	665,480	301,314
Information Technology	115,399	45,057	70,342	45,594	116,976	115,201
Energy Management	106,720	101,500	5,220	136,500	106,720	101,500
Shared Valuation Data Service (SVDS)	386,137	366,479	19,658	701,892	701,892	6,250
Road Asset Technical Accord (RATA)	762,190	846,449	(84,259)	978,560	1,099,090	639,986
Waikato Regional Transport Model (WRTM)	23,814	41,394	(17,580)	98,626	98,626	20,790
Waikato Building Consent Group (WBCG)	384,534	159,274	225,260	318,548	541,895	382,621
Future Proof	272,196	272,196	(1)	544,391	544,391	136,098
Mayoral Foryum	132,932	5,000	127,932	5,000	132,932	57,932
Waikato Plan	370,490	260,000	110,490	520,000	-	104,345
<b>Total Trading Income</b>	<b>3,105,924</b>	<b>2,520,409</b>	<b>585,515</b>	<b>4,088,061</b>	<b>4,367,870</b>	<b>2,082,885</b>
<b>Total Income</b>	<b>3,105,924</b>	<b>2,520,409</b>	<b>585,515</b>	<b>4,088,061</b>	<b>4,367,870</b>	<b>2,082,885</b>
<b>Operating Expenses</b>						
Company Administration	154,938	169,870	(14,932)	299,784	498,604	3,344
Procurement	336,971	455,006	(118,035)	656,058	735,764	173,539
Information Technology	92,319	58,063	34,256	134,727	147,297	-
Energy Management	57,206	81,149	(23,943)	136,500	141,720	11,010
Shared Valuation Data Service (SVDS)	271,154	349,978	(78,824)	886,017	986,603	46,332
Road Asset Tecnical Accord (RATA)	446,708	564,068	(117,360)	1,016,336	1,019,339	(15,385)
Waikato Regional Transport Model (WRTM)	18,008	43,525	(25,517)	98,626	117,470	2,182
Waikato Building Consent Group (WBCG)	150,115	265,090	(114,975)	529,549	581,289	(2,836)
Future Proof	281,131	272,184	8,947	544,391	544,391	103,965
Mayoral Forum	19,755	2,497	17,258	51,440	126,439	-
Waikato Plan	91,646	247,458	(155,812)	520,000	-	1,400
<b>Total Operating Expenses</b>	<b>1,919,950</b>	<b>2,508,888</b>	<b>(588,938)</b>	<b>4,873,428</b>	<b>4,898,916</b>	<b>323,549</b>
<b>Gross Profit</b>	<b>1,185,974</b>	<b>11,521</b>	<b>1,174,453</b>	<b>(785,367)</b>	<b>(531,046)</b>	<b>1,759,335</b>
<b>Depreciation</b>						
Depreciation - MoneyWorks	128	126	2	256	2,256	21
Depreciation - SVDS	45,222	45,222	-	90,444	90,444	7,537
Depreciation - WRTM	36,458	36,456	2	72,916	72,916	6,076
<b>Total Depreciation</b>	<b>81,808</b>	<b>81,804</b>	<b>4</b>	<b>163,616</b>	<b>165,616</b>	<b>13,635</b>
<b>Net Profit</b>	<b>1,104,166</b>	<b>(70,283)</b>	<b>1,174,449</b>	<b>(948,983)</b>	<b>(696,662)</b>	<b>1,745,701</b>

### 4.3 Statement of Changes in Equity

#### Waikato Local Authority Shared Services For the 6 months ended 31 December 2018

	2018/19	2017/18
<b>Equity</b>		
Opening Balance	1,026,531	799,675
Current Year Earnings	1,104,166	226,856
<b>Total Equity</b>	<b>2,130,697</b>	<b>1,026,531</b>

### 4.4 Statement of Financial Position

#### Waikato Local Authority Shared Services As at 31 December 2018

	31 Dec 2018	30 Jun 2018
<b>Equity</b>		
Shares - SVDS	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000
Retained Earnings	(1,930,471)	(2,157,327)
Current Year Earnings	1,104,166	226,856
<b>Total Equity</b>	<b>2,130,696</b>	<b>1,026,530</b>
<b>Assets</b>		
<b>Current Assets</b>		
Prepayments	0	149,905
Accounts Receivable	1,429,859	495,885
Accrued Interest	0	2,980
RWT On Interest	7,352	6,744
Transaction Account	231,468	1,238,757
Call Account	114,861	331,247
BNZ - Term Deposit 020	600,000	81,000
GST	48,912	58,604
<b>Total Current Assets</b>	<b>2,432,452</b>	<b>2,365,121</b>
<b>Non-current Assets</b>		
SVDS - Original Cost	3,065,316	3,065,316
WRTM - Original Cost	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195
IT equipment	5,398	0
Accumulated Depreciation	(5,281,581)	(5,199,774)
<b>Total Non-current Assets</b>	<b>87,183</b>	<b>163,592</b>
<b>Total Assets</b>	<b>2,519,635</b>	<b>2,528,713</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	217,919	659,338
Accounts Payable Accrual	176,853	101,235
Revenue in Advance	0	741,610
PAYE Clearing Account	733	0
<b>Total Current Liabilities</b>	<b>395,505</b>	<b>1,502,183</b>
<b>Non-current Liabilities</b>		
KiwiSaver payable	457	0
suspense	(7,023)	0
<b>Total Non-current Liabilities</b>	<b>(6,566)</b>	<b>0</b>
<b>Total Liabilities</b>	<b>388,939</b>	<b>1,502,183</b>
<b>Net Assets</b>	<b>2,130,696</b>	<b>1,026,530</b>

## 4.5 Statement of Cashflows

**Waikato Local Authority Shared Services  
As at 31 December 2018**

	Actual YTD	Full Year Budget	Last YTD
<b>Cashflows from Operating Activities</b>			
Interest Received	3,388	14,000	19,075
Receipts from Other Revenue	1,895,759	4,074,061	4,680,206
Payments to Suppliers	(2,429,673)	(4,873,426)	(4,032,901)
Taxes Paid (net)	(608)	0	(6,426)
Goods & Services tax (net)	(168,143)	(119,905)	(43,897)
Net cash from operating activities	(699,277)	(905,269)	616,057
Purchase of property, plant and equipment	(5,398)	0	0
Net funds placed on term deposit	(519,000)	0	0
Purchase of Intangible Assets	0	0	0
Net cash from investing activities	(524,398)	0	0
<b>Net increase in cash, cash equivalents and bank account</b>	<b>(1,223,675)</b>	<b>(905,269)</b>	<b>616,057</b>
Opening cash and cash equivalents and bank overdrafts	1,570,004	1,171,586	953,948
<b>Closing cash, cash equivalents and bank accounts</b>	<b>346,329</b>	<b>266,317</b>	<b>1,570,005</b>

**Document No:** A423785

**Report To:** Council



**Meeting Date:** 26 March 2019

**Subject:** Progress Report: Civil Defence and Emergency Management

**Type:** Information Only

### Purpose of Report

- 1.1 The purpose of this business paper is to brief Council on current activities within the Civil Defence and Emergency Management (CDEM) portfolio.

### Background

- 2.1 Waitomo District Council (WDC) provides Civil Defence and Emergency Management functions for the District as required by the Civil Defence and Emergency Management Act 2002 ("the Act").
- 2.2 WDC's emergency management activities are assisted by the Emergency Management Operations Manager and Emergency Management Coordinator employed by WDC to provide a shared service arrangement for Waipa District Council, Otorohanga District Council and Waitomo District Council; jointly operating and collaborating as the Western Waikato Emergency Operating Area (WWEOA).

### Commentary

- 3.1 For the period October 2018 to March 2019, the following CDEM activities have been undertaken in the Waitomo District under the four "Rs" (Reduction, Readiness, Response, and Recovery).
- 3.2 Reduction**
- 3.3 The identification of hazards continues to be progressed as part of the District Plan Review. The coastal hazards, flood modelling and land stability work will inform the relevant objectives, policies and rules of the Proposed District Plan (PDP). Further information on this work is contained elsewhere in this Agenda.
- 3.4 Readiness**
- 3.5 The national shakeout drill on 18 October 2018 promoting earthquake readiness received significant national publicity with 870,000 people registering. This was capitalised on at a local level with registrations across Waipa (5,030), Otorohanga (250), and Waitomo (1,027) District Councils. The Shakeout message was also promoted by WDC to the public via social media, and internally via in house messaging.

- 3.6 Prioritised work continues to be progressed to improve the Western Waikato Area's "Readiness" to respond to significant civil defence emergencies.
- 3.7 Across the three Councils this work is focused on the following areas:
- Ensuring Emergency Operating Centres (EOCs) are maintained at high levels of readiness to support local, regional and national events.
  - Appropriate Civil Defence (CDC) facilities are identified and resourced to provide for evacuated or displaced persons, along with information to communities.
  - Community Response Plans and arrangements have the sustained capability to deliver effective, expedient and efficient responses tailored to local communities.
- 3.8 In respect of WDC, the following work has been completed and/or is underway:
- A communications specialist has undertaken a complete audit and technical check of all radios across the WWEOA. The audit identified that the radio's (base sets and handheld portables) are extremely old, are not consistent across the WWEOA, and have been superseded with newer technology. As a result a replacement programme will be implemented across the WWEOA during the next quarter.
  - The majority of staff have now completed CDEM foundation training, and a program has been put in place across the WWEOA to undertake foundation training at 3 monthly intervals for new staff.
  - Staff with leadership roles in the EOC will be scheduled to attend more comprehensive CDEM training over the remainder of the 2018/19 financial year and in 2019/20. An EOC welfare course and logistics course has been completed by the EOC Welfare Manager and EOC Logistics Manager.
- 3.9 On the 7<sup>th</sup> March 2019, Local Controllers from the Western Waikato Councils, the Group Recover Manager and Alternate Group Controller from the Waikato Group Emergency Management office (GEMO); and the Waikato Regional Council Hazards Team undertook a hazards tour across the Waipa, Otorohanga and Waitomo Districts. The purpose of the tour was to familiarise all Local Controllers and GEMO staff with the key hazards and sites in each area.
- 3.10 Welfare
- 3.11 The Welfare Committee for the Otorohanga and Waitomo Area has been established, with the first meeting held in December 2018. The Welfare Committee will continue to meet on a quarterly basis.
- 3.12 The initial meeting was attended by representatives from the Citizens Advice Bureau, Ministry of Social Development, Te Kuiti Community House, Otorohanga Support Services, Waikato District Health Board, Red Cross New Zealand and welfare staff. The purpose of the initial meeting was to meet members of the Committee and set parameters for meetings in 2019.
- 3.13 In addition, a review of current arrangements for Civil Defence Centres (CDC) across Waitomo District is underway to ensure that established Welfare Centres comply with national standards and are resourced accordingly. The CDC's have been identified and inspected in accordance with the checklist provided by the Civil Defence Director Guidelines, and MOU's are currently being established.

## 3.14 Response

3.15 Severe weather events occurred during this period within the district, however the impact of these did not necessitate the activation of the EOC.

3.16 Metservice severe weather warnings in the latter part of December 2018 across the Western Waikato area proved to be correct where extremely heavy rainfall resulted in isolated areas of flooding, but nothing which required the response to be escalated from the monitoring stage.

## 3.17 Community Response Plans

3.17 The Mokau Community Response Plan has now been completed. A Community Response Plan will now commence for Marokopa.

3.18 Once completed, the plans will be reviewed every six months with the community to ensure they remain current. The Western Waikato CDEM Coordinator is facilitating community led training to compliment these plans.

## 3.19 Recovery

3.20 There were no recovery activities of any significance undertaken during this period.

3.21 In February 2019, WDC appointed a Local Recovery Manager. A business paper regarding this role is contained elsewhere in this Agenda.

<b>Suggested Resolution</b>
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The Progress Report: Civil Defence and Emergency Management (CDEM) be received.



HELEN BEEVER  
**GROUP MANAGER – COMMUNITY SERVICES**

26 March 2019

**Document No:** A423600

**Report To:** Council



**Meeting Date:** 26 March 2019

**Subject:** Progress Report: Civil Defence Emergency Management Joint Committee Minutes

**Type:** Information Only

## Purpose of Report

- 1.1 The purpose of this business paper is to provide Council with information relating to the Civil Defence Emergency Management (CDEM) Joint Committee meeting of 19 November 2018.

## Background

- 2.1 The Waikato Civil Defence Emergency Management (CDEM) Group is a consortia of local authorities, emergency services, lifeline utilities, welfare organisations, Government departments and non-government organisations.
- 2.2 The role of the group is to work in partnership with communities ensuring effective and efficient delivery of emergency management within the Waikato region.
- 2.3 The Waikato CDEM Group boundary is based largely on Waikato Regional Council's boundary. The CDEM Group area covers approximately 24,000 square kilometres of the central North Island extending from Mt Ruapehu in the south to Port Jackson (at the tip of the Coromandel Peninsula) in the north.
- 2.4 Eleven local authorities within the Waikato region have joined together to establish a CDEM Joint Committee. Each council is represented by one elected member who is the Mayor/Chair or delegated elected representative.
- 2.5 The Joint Committee works together to minimise the potential effects of emergencies, prepare the people to respond to emergencies and help the community to recover as quickly as possible following an emergency.
- 2.6 The members of the Waikato CDEM Joint Committee are:
- |     |                                    |                                      |
|-----|------------------------------------|--------------------------------------|
| 1.  | Councillor Hugh Vercoe (Chair)     | (Waikato Regional Council)           |
| 2.  | Councillor Leo Tooman (Dep. Chair) | (Hamilton City Council)              |
| 3.  | Mayor Phillip Buckthought          | (Hauraki District Council)           |
| 4.  | Councillor Brian Hunter            | (Matamata-Piako District Council)    |
| 5.  | Councillor Annette Williams        | (Otorohanga District Council)        |
| 6.  | Councillor Thomas Lee              | (South Waikato District Council)     |
| 7.  | Councillor Anna Park               | (Taupo District Council)             |
| 8.  | Councillor Rex Simpson             | (Thames-Coromandel District Council) |
| 9.  | Councillor Jacqui Church           | (Waikato District Council)           |
| 10. | Councillor Judy Bannon             | (Waipa District Council)             |
| 11. | Councillor Allan Goddard           | (Waitomo District Council)           |

**Commentary**

- 3.1 Attached to and forming part of this business paper are the confirmed minutes of the Committee meeting convened on 19 November 2018.

**Suggested Resolution**

The Progress Report: Civil Defence Emergency Management Joint Committee Minutes be received.



HELEN BEEVER  
**GROUP MANAGER – COMMUNITY SERVICES**

March 2019

Attachment: Joint Committee Minutes – 19 November 2018




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## Waikato Civil Defence Emergency Management Joint Committee MINUTES

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Minutes of a meeting of the Waikato Civil Defence Emergency Management Joint Committee held in Te Puia Room, Genesis Building, Bryce Street, Hamilton on 19 November 2018 at 1.12pm.

**Present:**

<b>Waikato Regional Council</b>	Cr H Vercoe (Chair)
<b>Hamilton City Council</b>	Cr L Tooman (Deputy Chair)
<b>Hauraki District Council</b>	Cr P Buckthought
<b>Matamata Piako District Council</b>	Cr B Hunter
<b>Otorohanga District Council</b>	Cr A Williams
<b>South Waikato District Council</b>	Cr T Lee
<b>Thames Coromandel District Council</b>	Cr R Simpson
<b>Waikato District Council</b>	Cr N Smith
<b>Waipā District Council</b>	Cr J Bannon
<b>Waitomo District Council</b>	Cr A Goddard
<b>Ministry of Civil Defence and Emergency Management</b>	S Vowles

**In Attendance:**

<b>Staff</b>	L Cavers – CEG Chair
	M Bang – Team Leader, CDEM Group Services
	J Snowball – Group Controller
	T Bio – Democracy Advisor

**SECTION A: (UNDER DELEGATION FOR THE INFORMATION OF COUNCIL)**

The Chair congratulated J Snowball on his appointment to the Civil Defence Emergency Management structure.

**Apologies**

Apologies were received from Cr A Park.

Cr P Buckthought moved/Cr J Bannon seconded.

CD18/39

**RESOLVED****THAT the apologies of Cr Anna Park be accepted.**

The motion was put and carried (CD18/39)

**Confirmation of Agenda**

(Agenda Item 2)

Cr A Goddard moved/Cr B Hunter seconded.

CD18/40

**RESOLVED****THAT the agenda of the meeting of the Waikato Civil Defence Emergency Management Joint Committee of 19 November 2018, as circulated, be confirmed as the business for the meeting.**

The motion was put and carried (CD18/40)

**Disclosures of Interest**

(Agenda Item 3)

There were no disclosures of interest.

**Minutes of Previous Meeting**

(Agenda Item 4) Doc # 13012342

Cr A Goddard moved/Cr B Hunter seconded.

CD18/41

**RESOLVED****THAT the Minutes of the Waikato Civil Defence Emergency Management Joint Committee meeting of 3 September 2018 be received and approved as a correct record.**

The motion was put and carried (CD18/41)

**Summary of Coordinating Executive Group Minutes**

(Agenda Item 5) Doc # 13341463

CEG Chair (L Cavers) presented a summary of minutes taken at the Coordinating Executive Group meeting that took place on the 2<sup>nd</sup> November 2018.

During discussion, the following was noted:

- WEBINAR proposal overview included looking to see what needed to be done regarding induction for Mayors and Councillors.
- It was understood that the Group work plan and member reporting proposal will come back to CEG and then to Civil Defence Emergency Management Joint Committee.
- A member noted that there's a Sleepyhead group that want to buy land in Hinewai that's so close to Lakes that it could potentially flood and nothing in their Plan to stop them buying the potential floodlands. They would like to see something in a regional plan to address this.

Cr J Bannon moved/Cr L Tooman seconded.

CD18/42

**RESOLVED**

**THAT the report Summary of Coordinating Executive Group Minutes (Doc#13341463 dated 2 November 2018) be received.**

**The motion was put and carried (CD18/42)**

**Appointment of Local Controllers**

(Agenda Item 6) Doc # 13334772

Group Controller, Civil Defence and Emergency Management (J Snowball) presented a report to provide the Joint Committee with an opportunity to consider the appointment of Local Controllers.

During discussion, the following was noted:

- Delegated powers as controllers with caveat around it in that it sets restrictions around their powers as a controller.
- The question of limiting local controllers powers and that they have to be supervised by group controller was raised. After further discussion, members proposed to seek a legal opinion to see if the Joint Committee can limit their authority as local controller. Currently no path to assess the Joint Committee's ability of command so members agreed that seeking legal advice to ensure it was within their powers to place limits on local controllers powers.
- Staff noted that intake for a controllers course is in March 2019. Applications open around first half of December 2018 and it may only be for existing controllers but staff would clarify this.
- A member asked what the difference about these people than the ones we've previously appointed. Staff responded that the landscape has changed in terms of

ministerial review which clearly indicates that this has to be more professional process and the recognition the risk this role carries.

Cr H Vercoe moved/Cr P Buckthought seconded.

CD18/43

**RESOLVED**

**THAT the report Appointment of Local Controllers (Doc # 13334772 dated 7 November 2018) be received**

**THAT the Joint Committee endorse the recommendation of the Controller Appointment Sub-Group subject to:**

- Supervision from existing controller
- Legal opinion to inquire if the Civil Defence Emergency Joint Committee can place conditions on powers of local controllers.

**The motion was put and carried (CD18/43)**

- The Joint Committee resolved to formally appoint J Snowball as the Main group Controller for the Joint Committee.

Cr R Simpson moved/Cr N Smith seconded.

CD18/44

**RESOLVED**

**THAT Julian Snowball be appointed as the Main Group Controller for the Waikato Civil Defence Emergency Management Joint Committee.**

**The motion was put and carried (CD18/44)**

- Having only three controllers could present potential problems for example if all three are sick/away and therefore leave no appropriate options. Staff indicated that this is something that is being addressed through the Controllers Policy and stated there have been two more people that have been identified as Controllers making the current total number of Controllers five.

**After action reporting policy**

(Agenda Item 7) Doc # 13347119

Team Leader for Group Emergency Services (M Bang) presented the report which provided the Joint Committee an opportunity to consider and approve the proposed policy for reporting to the Group following an emergency response.

Members were in agreeance with the policy and had no further questions.

Cr B Hunter moved/Cr R Simpson seconded.

CD18/45

**RESOLVED**

**THAT the report After action reporting policy (Doc # 13347119 dated 8 November 2018) be received.**

**THAT the Joint Committee approve the proposed policy for after action reporting (Doc # 13047407).**

**The motion was put and carried (CD18/45)**

**Submission to Building Act Amendment Bill 2018**

(Agenda Item 8) Doc # 13344362

Chair Vercoe presented the Joint Committee with the submission. The report was taken as read. It was noted that Gary Talbot put the submission together.

Cr J Bannon moved/Cr T Lee seconded.

CD18/46

**RESOLVED**

**THAT the report Joint Committee Submission to Building Act Amendment Bill 2018 (Doc 13344362 dated 7 November 2018) be received.**

**THAT the submission to the Transport and Infrastructure Select Committee be ratified (Doc # 13340600 dated 25 October 2018).**

**The motion was put and carried (CD18/46)**

**Joint Committee meeting schedule for 2019**

(Agenda Item 9) Doc # 13339565

CEG Chair (L Cavers) presented this report to provide the Joint Committee with the information about the proposed schedule of meetings for the 2019 calendar year.

- Chair Vercoe suggested that all Civil Defence Emergency Joint Committee meetings for 2019 to be held at Te Puia Building. Members agreed with this suggestion. Staff would action this suggestion.

Cr L Tooman moved/Cr A Williams seconded.

CD18/47

**RESOLVED**

**THAT the report Joint Committee meeting schedule for 2019 (Doc # 13339565 dated 7 November 2018) be received.**

**The motion was put and carried (CD18/47)**

**Ministry of Civil Defence & Emergency Management update**

(Agenda Item 10) Doc # 13331981

Ministry of Civil Defence and Emergency Management representative (S Vowles) presented an update regarding the work programme undertaken by the Ministry of Civil Defence and Emergency Management (the Ministry).

During discussion, the following was noted:

- As requested, the Ministry will provide claim experts to leaders of finances and recovery managers so that they can be educated and understand the system.
- It was explained that there has been more clarity given in what one can and cannot claim for. This included providing for the welfare of people in terms of food and water. It was understood that early engagement with councils produce good results as there is clear understanding and accountability to what needs to be done.

Cr R Simpson moved/Cr A Goddard seconded.

CD18/48

**RESOLVED**

**THAT the repost MCDEM Update (Doc # 13331981 dated 5 November 2018) be received.**

**The motion was put and carried (CD18/48)**

**Emergency Management Review**

(Agenda Item 11) Doc # 13334690

Team Leader for Group Emergency Services (M Bang) presented the report which provided the Joint Committee with an overview of the likely impacts of the Technical Advisory Group's recommendations to central government following the ministerial review of CDEM.

During discussion, the following was noted:

- Staff confirmed the flying squad would be there to support and not control and were still working through how this would happen.
- Staff noted it was too early and level of detail is not sufficient to talk about what the implications of this would be to iwi.

Cr P Buckthought moved/Cr J Bannon seconded.

CD18/49

**RESOLVED**

**THAT the report Emergency Management Review (doc#13334690 dated 6 November 2018) be received.**

**The motion was put and carried (CD18/49)**

**National Disaster Resilience Strategy Consultation**

(Agenda Item 12) Doc # 13338183

Ministry of Civil Defence and Emergency Management representative (S Vowles) provided a powerpoint presentation (Doc # 13437438) to the Committee to go over the National Disaster Resilience Strategy.

During discussion, the following was noted:

- A member asked if there was a risk that emergency management and fire emergency would be seen as one. Staff noted that the two may be potentially seen as one as public does not realise the difference but as long as the public recognise the resilience practices at all levels then that's the most important factor.
- The Committee noted the emphasis on societal resilience. The focus was to make it broader and applicable to the public in order to get them to help make the process better.
- The Committee noted that consultation was to be done by 7 December 2019 as it would be submitted for Ministerial approval in February 2019. Staff asked for the Committee to consider and make comment on the National Disaster Resilience Strategy.

Cr A Goddard moved/Cr R Simpson seconded.

CD18/50

**RESOLVED**

**THAT the report National Disaster Resilience Strategy Consultation (doc # 13338183 dated 5 November 2018) be received.**

**THAT the Joint Committee delegate authority to approve the Waikato CDEM Group submission on the National Disaster Resilience Strategy to the Joint Committee Chair.**

**The motion was put and carried (CD18/50)**

**Group work plan**

(Agenda Item 13) Doc # 13342844

Team Leader for Group Emergency Services (M Bang) presented the report which provided the Joint Committee with information about the prioritisation of the Group work plan for calendar year 2019 and to support the ability for the Group members to report to CEG.

During discussion, the following was noted:

- The topic of meeting attendance was discussed. Staff noted that it would serve the purpose of seeing how meeting arrangements could be made in order to accommodate majority if not all members so that there would be maximum attendance and in turn, participation from the members of each group noted. Staff explained that meeting attendance records would be something discussed at lower level CEG groups.

Cr T Lee moved/Cr B Hunter seconded.

CD18/51

**RESOLVED**

**THAT the report Group work plan (doc # 13342844 dated 7 November 2018) be received.**

**The motion was put and carried (CD18/51)**

**GEMO report**

(Agenda Item 14) Doc # 13338873

Team Leader for Group Emergency Services (M Bang) presented the report which provided the Joint Committee with an update on the activities undertaken by the Group Emergency Management Office. The report was taken as read and members had no further questions.

Cr P Buckthought moved/ Cr A Williams seconded.

CD18/52

**RESOLVED**

**THAT the report GEMO update (doc # 13338873 dated 7 November 2018) be received.**

**The motion was put and carried (CD18/52)**

Meeting closed at 3.08pm

Doc 13391640

Document No: A423798

**Report To: Council**



**Meeting Date:** 26 March 2019

**Subject:** Waikato Regional Economic Development Agency - Te Waka - Six Monthly Report ( 1 July to 31 December 2018)

**Type:** Information Only

### Purpose of Report

- 1.1 The purpose of this business paper is to present to Council the Waikato Regional Economic Development Agency (Te Waka) Six Monthly Report (1 July to 31 December 2018).

### Commentary

- 2.1 In accordance with the Partnership Agreement, Te Waka report to Council twice per annum.
- 2.2 Attached to and forming part of this business paper is the Te Waka Six Monthly Report (1 July to 31 December 2018).

### Suggested Resolution

The business paper on Waikato Regional Economic Development Agency - Te Waka - Six Monthly Report (1 July to 31 December 2018) be received.

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

HELEN BEEVER  
**GROUP MANAGER – COMMUNITY SERVICES**

March 2019

Attachment: Te Waka Six Monthly Report (1 July to 31 December 2018)

## **Six Monthly Performance Report for the Period 1 July- 1 December 2018**

### **1. Executive Summary**

This report provides a summary of the performance of Te Waka in the six months from July to December 2018. These have been set out against the provisions of the Partnership Agreements Te Waka has with ten of the region's local authorities in September 2018. These agreements require Te Waka to report back to the Councils every six months in terms of its performance against the schedule of functions and services which was attached to each of the Partnership Agreements.

### **2. Introduction**

The Waikato's first regional-scale economic development agency- Te Waka was formally established on 7 July 2018. In early September 2018 Te Waka formalised its relationship with the local authorities of the Waikato region via a series of Partnership Agreements, signed in early September 2018 and backdated to 1 July 2018 and which remain in force for three years. Clause 4.1(f) of the agreements require Te Waka to report to the Local Authorities in writing every 6 months in respect to:

- A. Waikato REDA's performance of the Regional Economic Development Functions and Services;
- B. Waikato REDA's achievement of KPIs;
- C. The general state of the Waikato economy; and
- D. Current or anticipated issues.

### **2. Analysis**

This report summarises Te Waka's performance in its first 6 months against these requirements.

#### **A. Waikato REDA's Performance of the Regional Economic Development Functions and Services**

##### **i. Overall governance and organisational design**

The design of both the governance and operation of the Waikato REDA was overseen by an Establishment Board, who were selected by the Mayoral Forum. The Board members were:

- Dallas Fisher (Chair)
- Blair Bowcott
- Kiri Goulter
- Kim Hill
- Chris Joblin

- Les Roa
- Rob Williams

At this time also Stuart Gordon, the CEO of Waikato Innovation Park was appointed as the establishment Chief Executive for the Waikato REDA. The Establishment Board, with support from the establishment CEO, oversaw all decisions on organisational design, funding and governance, and referred all major decisions to the Mayoral Forum for confirmation and feedback.

A trust deed, company constitution and establishment business plan were developed in June 2018 and formed the foundation documents for the entity. The business plan included an operating budget, which drive decisions on funding and sponsorship, and also an interim organisational structure which allowed for some early decisions on recruitment priorities.

Agreements were also developed with Waikato Innovation Park for the provision of office space and services, and discussions commenced with NZTE and Callaghan to novate the Regional Business Partner Programme services being delivered by the Innovation Park to the Waikato REDA.

Waikato Regional Economic Development Ltd was officially created as a trust and limited liability company on 6 July 2018. Two trustees were confirmed:

- **Simon Lockwood** who in addition to his business leadership roles is the chairman of the Waikato Institute of Directors; and
- **Alice Thame** – a senior accountant with Dairy NZ and the local leadership team leader for the Chartered Accountants Association for Australia and New Zealand (CAANZ)

The company operated under the interim name of Waikato REDA while work was undertaken on a final trading name. The Waikato REDA Establishment Board transitioned to the Waikato REDA Board as part of the process, and the non-council members of the Board were confirmed and recorded in the constitution as directors of the company. The two local government executives have remained as ex-officio members of the Board and their advice and contribution to the board has been invaluable. Dallas Fisher was confirmed as the Chair and Kiri Goulter was subsequently confirmed as Deputy Chair.

## ii. Funding and Finance

Securing the necessary funding for Te Waka had commenced early in 2018 with a series of roadshows by the Establishment Board chair to all local authorities in the region. The target funding envelope followed that set out in the business plan (**Table 1**). Proposals for local government funding were for three-year periods and were included in each respective council's 2018-2028 Long Term Plan. Funding was sought from all local authorities in the region except Taupo and Rotorua. All funding requests were approved. Following this, Partnership Agreements were developed with all local authorities except Rotorua. The agreements set out the nature of the partnership, how the Waikato REDA would work with each council and the performance indicators to be reported against.

Core Operational Budget -Revenue		Annual Amount Sought	Confirmed as at 01/12/18	Unconfirmed	Success (%) as at 01/12/18
Local Government	Regional	\$300,000	\$300,000		100%
	Local	\$370,000	\$370,000		100%
Business sponsorship		\$465,000+	\$295,000		63%
Regional trusts and other regional funds		\$250,000	\$75,000		30% <sup>1</sup>
Existing WIP business support programmes		\$660,000	\$660,000		100%
Provincial Growth Unit (MBIE)		\$200,000		\$200,000	TBC
<b>Total</b>		<b>\$2,245,000</b>	<b>\$1,700,000</b>	<b>\$200,000</b>	<b>83%</b>

**Table 1.** Te Waka Funding Sources

Funding for the Regional Business Partner Programme was novated, along with the relevant staff in September 2018. Work on business sponsorship commenced in February 2018 and has seen a family of six sponsors on board in support of the agency. These in total contribute some \$295,000 per annum to the organisational budget. Further sponsorship discussions are underway to reach our target.

In terms of Trust, the WEL Energy Trust was a major partner of Waikato Means Business, supporting the Waikato Story and the regional economic development review work. In December 2018 confirmed a further \$75,000 towards the ongoing implementation and development of the Waikato Story. A full funding bid will be made to the next WEL Trust funding round in March 2019. Discussions with other trusts and philanthropic organisations are also underway.

### iii. People and Talent

In June 2018 the Board approved the selection of Greg Tims & Associates as its executive search and recruitment advisor. A positions description for the CEO role was developed and the positions was advertised in July 2018. In September the Board announced that the inaugural Chief Executive of the Waikato REDA would be **Michael Bassett-Foss**. Michael came from being the Project Director of the multimillion-dollar Water Wairarapa Project, was a former Chair of Economic Development Associations of New Zealand (EDANZ) and Manager of Economic Development at Hawkes Bay Regional Council. Michael commenced in the role later that month. (<https://www.tewaka.nz/blog/post/33196/Collaboration-and-partnership-to-underpin-Te-Waka/> )

We have been extremely fortunate to have the opportunity to partner with **Tame Pokaia** as our kaumatua and tikanga advisor. Tame is from Ngāti Mahuta and Ngāti Hikairo descent and was born and raised at Ngāruawāhia. He comes from one of the papakāinga families that lived on Tūrangawaewae marae.

In October the search commenced for a communications and marketing manager and in late November **Amy van Garderen** was appointed to the role. Amy came from the Ebbett group and before then had worked for both Hamilton City and H3, the region's event company. Amy will commence in early January 2019 and will have responsibility for Te Waka's communication and marketing operations, including the ongoing rollout and development of the Waikato Story.

<sup>1</sup> There is a further WEL Trust funding round in March 2019.

(<https://www.tewaka.nz/blog/post/36004/Perception-changeattraction-and-storytelling-on-the-agenda-for-new-Te-Waka-hire/> )

In November a new member of the business growth team, **Ashleigh Turner** joined Te Waka as part of the Business Growth Team. Ashleigh came from Waikato Tainui where she had a major role in economic development for the iwi. A qualified lawyer with a further degree in business management, Ashleigh is of Maniapoto and Ngati Awa descent and was born in Otorohanga.

Te Waka has also worked to leverage its resources by working in close partnership with other agencies. We have invited **Michelle Paki**, the MBIE Senior Regional Advisor, Waikato from the Provincial Development Unit to co-locate in our offices. This has created a much closer and more aligned operational and strategic relationship between the PDU/PGF and Te Waka.

In addition to our existing relationships with tertiary organisations, Smart Waikato, Immigration New Zealand and the Ministry of Education, we have worked with the Ministry of Social Development to ensure a joined-up approach towards the employment and skills development priorities in our programme. **Tuahu Sonny Watene**, MSD's Waikato Regional Labour Market Manager, has been seconded to Te Waka for two days/week to assist with the development and implementation of that programme. We are also further strengthening our relationships with Te Puni Kokiri to ensure both Te Waka and Te Puni Kokiri support the ongoing development and implementation of the Maori Economic Development Agenda and Action Plan.

As with all EDAs, we have been working closely with the Provincial Growth Unit regarding the resources needed to support the Provincial Growth Fund. The PGF process is creating additional demand for resources to support, evaluate and help implement development proposals. This demand is increasingly falling on EDAs such as Te Waka as they are the front of house organisations for regional economic development. In July the Waikato REDA joined with Economic Development New Zealand (EDNZ) and all other EDAs in a PGF application for resources to assist with capacity in two main areas:

- PGF proposal development and support (2) - a Programme Manager and an Analyst
- Maori Economic development advisor (1)

The PDU has recommended that each region receive between \$150,000 and \$200,000 per year for the next three years to assist with PGF proposals and projects. Te Waka has requested \$200,000 per year. We expect to hear the result of this request in early 2019.

In early 2019 decisions will also be made regarding further recruitment, primarily in the areas of sector strategy & implementation and investment facilitation. The exact nature of these roles will be developed in accordance with the 2018-2022 programme of action.

#### **iv. Waikato Economic Summit and Programme**

In March 2018 the Waikato Means Business Steering Group agreed to investigate holding a regional economic summit in mid-late 2018, as part of the process of setting up and building the mandate for the Waikato REDA. The concept was adopted by the Establishment Board and a Summit Steering Group was set up with

representatives from business, the philanthropic sector, Maori and local government. Discussions were held with experts in strategic facilitation and planning, and in April PWC were confirmed as the delivery partners for the event. Late August was confirmed as the date for the event. Discussions were held with potential funders and the following partners came on board as sponsors.

Sponsor	Annual Amount Sought
WEL Energy Trust	\$100,000
Provincial Growth Fund	\$ 50,000
Waikato Regional Council	\$ 20,000
Ministry of Social Development	\$ 20,000
<b>Total</b>	<b>\$ 190,000</b>

The summit was held at the Don Rowlands Centre 30-31 August. The summit was designed to serve two functions:

- To build a pipeline of major/high impact economic development projects which the Waikato region could deliver over the next 1-2 years
- To introduce Te Waka to the region's business, government, local government and community leaders and to build a mandate to lead economic development for the region

Approximately 240 people attended the summit on day 1 with at least 200 of them returning for the second day. Participants were welcomed into the summit by Ngati Koroki Kahukura. As part of the event, all participants contributed towards the carving of a waka which, when completed, will take pride of place at Te Waka's office. The first cuts in the Totara were led by Te Waka Chair Dallas Fisher and the Minister for Regional Economic Development Hon Shane Jones. The summit resulted in 19 general priority areas which were presented/pitched by attendees at the final session on the 31<sup>st</sup>. As well as the process to generate ideas and gain consensus the event was significant in that the trading name for the Waikato REDA was unveiled- "Te Waka".

The outputs from the summit were then analysed and used as the key input into the development of the region's first multi-year economic development programme. The programme was developed and drafted in a war room at the Te Waka offices at the Innovation Park. Representatives from all key sectors were invited to come to the war room, review the emerging programme, provide critique, feedback and proposals for support. Approximately 50 individuals and groups took up the offer, and this considerably improved the final result.

The 2018-2022 Waikato Economic Programme was launched on 14 November. About 200 people from across the region attended the event. The programme draws on the results of the summit and presents a way forward for the region in two dimensions:

- A narrative of 11 major themes which arose from the summit and in our discussion with various stakeholders. These provide the foundation for our work going forward and help us to assess new ideas and projects as they arise

- A series of 53 discrete projects and programmes of work<sup>2</sup>.

#### v. Support of Major Projects

**Attachment 2** illustrates a snapshot of the Provincial Growth fund across New Zealand. This shows that approximately 2% of the total PGF proposals by value and 8% by number have been allocated within the Waikato region. This would indicate that the region, at 10% of NZ's population, is submitting roughly the right number of applications, but is not yet fully gaining a proportionate slice of the PGF funds. MBIE have advised that as at December 2018 in the Waikato:

- 8 Applications approved
- 1 EoI proceeding to application
- 9 Applications declined
- 6 EoIs not proceeding to application (declined)
- 4 applications and EoIs withdrawn by applicant
- 6 on hold
- 2 awaiting on further information
- 10 in various stages of assessment

The approved Waikato PGF applications are:

- Programme Manager – Waikato Means Business
- Waikato Economic Summit
- Waharoa Industrial Hub
- Te Aroha Tourism Precinct
- Sugarloaf Wharf
- Coromandel Marine Gateway
- Kopu Marine Precinct
- Waitomo Hotel

#### vi. Regional Business Partner Programme

The Regional Business Partner Programme in the Waikato region had been managed under contract from NZTE and Callaghan Innovation by Waikato Innovation Park. Te Waka has been fortunate that through its excellent relationship with the park's Chief Executive Stuart Gordon, there has been a seamless transition of these functions to Te Waka. Key highlights of the past 6 months include the following:

##### **Regional Business Partner Annual Conference**

Te Waka hosted the 80 plus personnel who provide RBP services throughout the country over 2 days (7 & 8 November) at Zealong Tea estate. It was an opportunity to showcase our region. It was built on a programme that highlighted: Food; Tourism and Technology. The conference was funded through NZTE so had zero cost to the region whilst demonstrating our capability and centrality for the country. The conference and Waikato location received very positive feedback from participants.

<sup>2</sup> [https://www.tewaka.nz/site\\_files/18710/upload\\_files/TeWakaWaikatoRegionalEconomicProgramme2018-2020.pdf?dl=1](https://www.tewaka.nz/site_files/18710/upload_files/TeWakaWaikatoRegionalEconomicProgramme2018-2020.pdf?dl=1)

The CEO discussed with senior RBP Officials at the conference the emerging vision for expansion of the RBP team to better align with needs/priorities for the region and integration with Te Waka's regional economic development programme. The vision was well received with an invitation for further discussions with relevant government officials in Wellington.

### **Key Regional Business Partner Programme to November 2018**

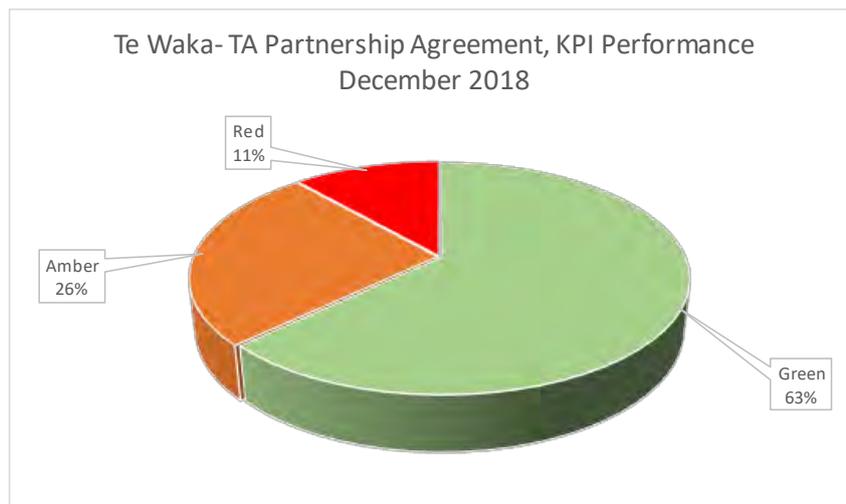
- **Client Engagements** are the key KPI around the Regional Business Partner contract. These are tracking ahead of budget (249 actual YTD, 230 Target YTD) and show a continued adoption of our services across the region. New hubs that were established in Cambridge and Te Awamutu in this quarter are attracting high levels of use.
- **Capability Voucher** scheme funding streams are now in line with expected spend to date after previously being a little over spent.
- **Net Promoter Score** (NPS <https://www.medallia.com/net-promoter-score/> ) sits at +67, a continued excellent result. Up dated 16/11/18
- **Callaghan Innovation** activity continues to grow, we have 14 projects (totalling \$5.6 of project costs) in 'submission' status (being reviewed/approved formally) which compares to 19 projects for the whole of last financial year. The pipeline of upcoming projects remains full with an additional \$6.9m of projects). Approved projects are \$1.2m for this YTD.
- **Business Mentors** have over 60 current, year to date matches is 59 out of a full year target of 180. This is a combination of higher quality mentors and higher levels of referral from the team.

### **B. Achievement of KPIs**

The Partnership Agreements set out 40 actions and anticipated results. The relevant KPIs are set out in Attachment 1 of this report. These are divided into three sub-sections:

- Key Priority Areas 1 July 2018-30 June 2019
- Medium Term Macro Key Performance Indicators 2018-2021
- Short Term Key Performance Targets July 2018- June 2019

Overall the results indicate that Te Waka has either fully or partially met more than 80% of the objectives set down in the agreements. Once actions which are not scheduled to be completed until early in 2019 are removed, this increases to an overall performance rate of 89%.



Some 63% of the actions being fully completed and/or on track (green) and another 26% of actions are yet to be fully complete have had some slippage (amber), although this mainly relates to two areas:

- the development of the next Te Waka Business Plan, which has been deferred until after the regional economic development programme had been completed, so that there was full alignment between the two.
- Further development of the Te Waka communications and engagement programme, which has been deferred until after a communications advisor was recruited

As at 4 December, 11% of actions (4/37 actions) have been noted as not having been achieved and/or having significant slippage (red). These are all related to two action areas:

:

- A post-summit attendee survey. The purpose of this survey was to assess the percentage of summit attendees rate the economic summit as highly valuable/worthwhile
- The first meeting of the Local Authority Partnership Committee, which scheduled to take place by 30 September. A further meeting with the committee was scheduled to take place by 31 October to present the results of the 2017/18 Waikato Means Business projects.

A further four actions are scheduled to be completed in early 2019 and hence no progress can be reported at this stage. These relate to several of the Waikato Means Business projects, a summary of the performance of the Waikato Story by the end of February and a February meeting of the Local Authority Partnership Committee.

Details on each project are set out in **Attachment 1**.

### C. The General State of the Waikato Economy

Te Waka was formed in part through the leadership and vision of the Waikato Regional Council, who commenced and funded Waikato Means Business for four years. The Partnership Agreement with Waikato Regional Council reflected that ongoing partnership, especially in the area of economic intelligence. The Council's Principal Economist, Blair Keenan<sup>3</sup> will provide econometric analysis, insight and advice to Te Waka, and will also produce for publication a quarterly update on the state of the Waikato economy. Each issue will also delve into a specific matter of relevance to economic growth in the region a little

<sup>3</sup> <https://www.tewaka.nz/blog/post/35620/Interpreting-data-key-to-Waikato-s-economic-growth/>

more deeply. The article will be published on our web site, LinkedIn page and the Waikato Story platforms. The first article has now been published this month on the Te Waka website and LinkedIn page (<https://www.tewaka.nz/blog/post/35821/Quarterly-regional-economic-update-December-2018/> ).

## **D. Current or Anticipated Issues**

The initial development of Te Waka has progressed very positively, as shown in the above results. Despite a very ambitious timeframe and limited available resources, all major milestones have been met in the development of Te Waka, and the Regional Business Partner Programme has continued to deliver services and grow further.

The key issue we see relates to the latent potential for economic growth support and action right across the region, and the demand for our support and services which has now been unleashed. The Provincial Growth Fund, the 1 Billion Trees fund and the Green Investment Fund will all create demand for Te Waka resource and support, which at present is relatively limited. Access further funding via commercial sponsorship and funding from trusts and philanthropic funds will be essential for us to continue to add value.

<b>Attachment 1. Schedule of Function and Services - Summary</b>			
<b>Key Priority Areas 1 July 2018-30 June 2019</b>		<b>Status (RAG)</b>	<b>Comments</b>
<b>REDA Establishment Operations</b>	Set up the Waikato REDA legal and operational structure and recruit the Board, Chief Executive and core staff		Fully achieved
	Secure operational funding to ensure the Waikato REDA can continue existing Business Growth and WMB services and commence new services, including via the Provincial Growth Fund as agreed by the Establishment Board		100% of requested local government, NZTE and Callaghan funding has been received. Of the target \$450,000 from business funding, \$295,000 per year (65%) has so far been secured as a combination of direct sponsorship, event funding and in-kind sponsorship.
<b>Waikato Economic Summit</b>	Successfully convene and hold the Waikato Economic Summit		Fully achieved
	Develop and announce an agreed 2018-2020 Waikato economic development action plan and pipeline of projects		Fully achieved
<b>Waikato REDA Business Plan</b>	Refresh and reframe the transitional business plan to reflect the operating environment		The Te Waka Board agreed in late 2018 to defer this until early 2019 once the economic programme was developed and launched and operational priorities were agreed.
	Include governance, management and operating structures and funding arrangements as agreed to by the board		
	Integrate the priorities agreed to by the board arising from the Waikato Economic Summit		
	Develop a full suite of organisational KPIs and a monitoring and reporting framework		
<b>Waikato REDA Initial Business Operations</b>	Continue to deliver the Regional Business Partner Programme across the Waikato region via a hub and spoke model		Fully achieved
	Complete the existing WMB programme of projects and integrate the results of these projects into the Waikato economic summit		On track
	Development and launch a programme of major regional economic projects and priorities		Fully achieved
<b>Waikato Story</b>	Continue to deliver the Waikato Story via current contract for service		Fully achieved
	Agree to a long-term approach to Waikato story delivery and further development		The current providers have worked with Te Waka on options for future delivery, and this will be reviewed by the Communications and Engagement Manager

			once she commences in January 2019, with advice to the Board in February/March
<b>Waikato REDA Brand and Communications</b>	Launch interim Waikato REDA website		Fully achieved
	Develop a full brand for the Waikato REDA, including final trading name, collateral, values and integrate with communications strategy		A selection process saw King Street identified as the preferred supplier. King Street developed the trading name, interim and final brand and associated collateral
	Develop and launch full Waikato REDA web site and social media channels		Advice from HMC was to focus on web and LinkedIn as our main channels, with media releases as required for major events. These have now been launched and are maintained in alignment with the Waikato Story.
	Build and deploy a REDA communications and stakeholder management programme based off the agreed communications strategy		An interim communications strategy was developed by HMC communications to cover the period up to the Economic Summit. A new strategy has been deferred until the new communications and engagement manager commences in early 2019.
	Fully align and coordinate REDA, Waikato Story and Waikato economic summit communications and engagement programmes		Te Waka and Waikato Story advisors and staff meet weekly to ensure alignment and integration.
<b>Medium Term Macro Key Performance Indicators 2018-2021</b>		<b>Status (RAG)</b>	
	The Waikato REDA, with the support of the Waikato Regional Council, will report and report, via its communication channels, economic development measures for the Waikato region.		The first economic update for the Waikato region has been drafted by the WRC Principal Economist and will be published on Te Waka and Waikato Story channels in early December.
<b>Short Term Key Performance Targets July 2018- June 2019</b>		<b>Status (RAG)</b>	
<b>REDA Establishment Operations</b>	All existing Waikato Innovation Park regional business partner services novated to Waikato REDA Ltd by 1 September 2018		A deed of novation between NZTE, Callaghan Innovation and Te Waka was signed on 17.09.2018
	Chief Executive appointed by 1 October 2018		Michael Bassett-Foss was appointed as Chief Executive on 1 October 2018

	At least two additional board members appointed in accordance with the constitution, including reference to the Waikato Mayoral Forum, <b>by 1 December 2018</b>		The Board has held off decisions on any future Board appointments until the Waikato Economic Programme was agreed and launched. Advice to the Mayoral Forum will be provided in early 2019.
	Waikato REDA Funding envelope 2018-21 at least 80% of target <b>by 1 December 2018</b>		100% of requested local government, NZTE and Callaghan funding has been received. Of the target \$450,000 from business funding, \$295,000 per year (65%) has so far been secured as a combination of direct sponsorship, event funding and in-kind sponsorship.
<b>Waikato Economic Summit</b>	Waikato Economic Summit held <b>30-31 August 2018</b> , with at least 250 participants		Fully achieved
	At least <b>80%</b> of post-summit survey respondents rate the economic summit as highly valuable/worthwhile		A formal post summit survey was not undertaken due to limited resources and a focus on developing the programme. However informal feedback from a wide range of summit participants was very positive, however most felt that the first day could have been compressed so that greater time was spent on actions.
	Engagement with Local Authority Partnership Committee on the preliminary results and recommended actions from the summit <b>by 30 September 2018</b>		This was not scheduled due to limited available resources and a focus on developing the programme. However, the initial summit outputs and emerging priorities were presented to the Waikato Mayoral Forum and the Waikato Plan Leadership Group in September 2018.
	Waikato regional economic programme confirmed and launched <b>by 1 November 2018</b>		The programme was confirmed by the Board on 17 October and was launched on 14 November
<b>Waikato REDA Business Plan</b>	Develop a revised Waikato REDA business plan, including programme of projects and actions arising from the Waikato economic summit, signed off by the Waikato REDA Board and sent to local authorities <b>by 1 December 2018</b>		The Te Waka Board decided in late 2018 to defer this until early 2019 once the economic programme was developed and launched

<b>Waikato REDA Initial Business Operations</b>	Delivery of <b>at least 250</b> NZTE and Callaghan Innovation funded business growth interactions across the Waikato region in the period 1 July- 28 February 2019 <sup>4</sup>	N/A	Programme is fully on track and result will be reported in March 2019.
	Continued delivery of the Waikato Story including the following targets <b>by 28 February 2019</b> : a. Achieve 10,000 unique website visits b. Achieve 630 stories shared/posted by the end of February – made up of unique commissioned stories and gifted/shared stories/posts. c. Increase social media followers by at least 30% per month. d. Grow Waikato Story assets by at least 20 per month, with a further review in October 2018 post summit e. Surveyed stakeholder feedback in February 2019 indicates at least 75% of respondents surveyed consider the Waikato Story a useful or very useful	N/A	This will be reported at the conclusion of the current contract period (28 February)
	Completion of the following existing Waikato Means Business projects <b>by 1 September 2018</b> : a. Regional cycle trail business case b. Regional digital stock-take and action plan c. Sheep and goat milk feasibility study d. Waste sheep cream feasibility study e. Secondary School Employer Partnership 2017-18 f. Kopu marine and aquaculture services precinct g. Hamilton & Waikato brand strategy		Key results include: <ul style="list-style-type: none"> <li>• The Regional cycle trail business case was completed and approved by the Waikato Regional Cycle Trail Network for consultation with all local authorities. Approximately half of all Waikato TAs have now received and considered the report.</li> <li>• The regional digital stock-take and action plan was completed in mid-2018 and was handed to a Digital Action Group led by Te Waka and Cultivate IT. Key actions were summarised in the 2018-22 Programme and further work on actions is underway and progressing well</li> <li>• Both the Sheep and goat milk and the waste sheep cream feasibility studies were completed in mid-2018 and are available for</li> </ul>

<sup>4</sup> Note: these services are funded and delivered under contract to New Zealand Trade & Enterprise and Callaghan Innovation directly to Waikato businesses. The Waikato REDA's service levels for this function is determined by the funding envelope available under contract.

			<p>industry participants to use in their commercial decisions</p> <ul style="list-style-type: none"> <li>• SSEP continues to progress very positively. SSEP won the Best Practice in Collaboration Award at the EDNZ Annual Awards event in October 2018. The SSEP Annual Report<sup>5</sup> showed the following results for the year 9 and 10 students who participate in the programme: <ul style="list-style-type: none"> <li>○ Students' intention to stay in school longer have been enhanced by 30%</li> <li>○ Students' interest in the subject involved in SSEP enhanced by 50%</li> <li>○ Students' qualification aspirations increased by 30%</li> </ul> </li> <li>• The Kopu marine and service precinct concept has been further developed by Thames Coromandel District Council in conjunction with the aquaculture industry. A PGF funding application to proceed to the next stage- detailed design and development has been approved and will be announced shortly as part of a package of aquaculture developments.</li> <li>• The Hamilton &amp; Waikato brand strategy was launched in December 2018. A video on the new brand can be seen at <a href="https://youtu.be/9_E9Re-pdQI">https://youtu.be/9_E9Re-pdQI</a></li> </ul>
	<p>Completion of the following existing Waikato Means Business projects <b>by 1 March 2019</b>:</p> <ul style="list-style-type: none"> <li>h. Feasibility study for a new food event at Fieldays</li> <li>i. Completion of the Southern Waikato Economic Action Plan</li> </ul>	N/A	This will be reported at the conclusion of the project timeframes

<sup>5</sup> <https://www.smartwaikato.co.nz/assets/Uploads/SSEP-Info-and-Research-Aug18.pdf>

	Engagement with Local Authority Partnership Committee on the results and recommended actions from these projects <b>by 31 October 2018</b>		This was not undertaken as several of the projects are yet to be completed. All results will be reported to the next Local Authority Partnership Committee meeting in February 2019.
<b>Waikato REDA Communications and Engagement</b>	Launch interim website <b>by 15 July 2018</b>		Fully achieved
	Develop and launch final Waikato REDA brand and trading name <b>by 30 August 2018</b>		Fully achieved
	Convening of the first meeting of the Local Authority Partnership Committee <b>by 30 September 2018</b>		This was not scheduled due to limited resources and a focus on developing the programme. However, the initial summit outputs and emerging priorities were presented to the Waikato Mayoral Forum and the Waikato Plan Leadership Group in September 2018
	Convening of the second meeting of the Local Authority Partnership Committee <b>by 28 February 2019</b>	N/A	This meeting is currently being scheduled.
	<b>From September 2018</b> , publication of a monthly stakeholder newsletter, sent to key stakeholders and published on the Waikato REDA website		Fully achieved
	<b>By 1 December 2018</b> , at least 80% of stakeholder survey respondents agree/strongly agree that the Waikato REDA is providing a clear “one voice” for economic growth in the Waikato region		This has been delayed until our communications and marketing manager is on board in early January 2019.



**Document No:** A425065

**Report To:** Council



**Meeting Date:** 26 March 2019

**Subject:** Creative New Zealand – Review of Creative Communities Scheme

**Type:** Decision

## Purpose

- 1.1 The purpose of this business paper is to inform Council of a review currently being undertaken by Creative New Zealand of its Creative Communities Scheme in advance of entering into new contracts with local authorities later in 2019 and seeking Council's feedback on the proposed changes.

## Background

- 2.1 Creative New Zealand (CNZ), which is a Crown entity, works with local authorities to deliver the Creative Communities Scheme (CCS).
- 2.2 The CCS provides funding to communities so New Zealanders can be involved in local arts activities. The CCS supports a wide range of arts projects under the following art forms: craft/object arts, dance, inter-arts, literature, Māori Arts, multi-artform (including film), music, Pacific Arts, theatre and visual arts.
- 2.3 CNZ is New Zealand's national agency for developing the arts and encourages support and promotion of the arts in New Zealand for the benefit of all New Zealanders. Its programmes support participation in the arts, not just by professional artists, but by all New Zealanders.
- 2.4 The CCS is one of the ways CNZ funds a broad range of arts projects in local communities. The Arts Council of New Zealand Toi Aotearoa Act 2014 allows CNZ to allocate funding to other organisations so that they can administer grants in support of arts projects.
- 2.5 WDC has a written Agreement with CNZ to administer the CCS locally. WDC receives an annual allocation of funds from CNZ. The total annual allocation currently received consists of:
- a base grant (\$6,000)
  - an allocation per head of population (*based on 2013 Census data*) of \$0.70
- 2.6 Based on the above formula, WDC currently receives \$12,235 exclusive of GST per annum. This is received in two payments (August and February) and enables the convening of two funding rounds within the Waitomo District of each year.
- 2.7 As per the Agreement between CNZ and WDC, an Assessment Committee has been formed to allocate the CCS funding. This Assessment Committee is made up of appointed councillors and community representatives who are familiar with the

broad range of local arts activity. The CNZ CCS Guidelines requires that community representatives on an assessment committee must be familiar with the range and diversity of local arts activities. Ideally membership of the committee should also reflect the make-up of the local community, eg young people, recent migrants, Asian residents, and local Māori and Pasifika peoples. At least one member must be of Māori descent and have local knowledge of Māori arts activity.

2.8 The current members are:

**Council Members:**

Terry Davey  
Janene New

**Community Representative Members:**

Diana White – Community Representative  
Meryl Lyle – Community Representative  
Colleen Coleman – Community Representative

**Iwi Representative Members:**

Mike Brown – Iwi Representative  
Rodney Bell – Iwi Representative

## Commentary

3.1 Attached to and forming part of this business paper is a copy of a self-explanatory letter received by WDC regarding the review currently being undertaken by CNZ. *Unfortunately Appendix 1 referred to in the letter was not attached. This has been requested of Creative New Zealand and will be circulated upon receipt.*

**3.2 Annual CCS Fund for Waitomo**

3.3 Without Appendix 1 being attached, but using Stats NZ provisional population data for Waitomo as at 30 June 2018, the following is a comparison over current funding received from CNZ for WDC to administer the CCS each year.

Component	Current Formula	Proposed Formula
Base Grant	\$6,000	\$15,000
Variable Component (per capita amount)	\$0.70	\$0.60
Population	8,907	9,640*
	\$6,235	\$5,784
<b>Annual CCS Funding</b>	<b>\$12,235</b>	<b>\$20,784</b>

\* This population is based on Stats NZ provisional estimate as at 30 June 2018 for Waitomo

2.3 Based on the above, the proposed changes to CNZ's Funding Formula has significant benefit to the Waitomo District.

**2.4 Assessment Committee Diversity**

2.5 WDC already recognises the significant Maori population within the District with the appointment of two Iwi representatives on its Assessment Committee.

- 2.6 Councillors Davey and New will be able to expand verbally on this business paper at the Council meeting as to their first-hand experience of administering the CCS and answer Members' questions.

## Suggested Resolutions

- 1 The business paper on Creative New Zealand – Review of Creative Communities Scheme be received.
- 2 Council provide feedback to Creative New Zealand in support/not in support of the changes proposed by the review of the Creative Communities Scheme.

A handwritten signature in blue ink, appearing to read 'Michelle Higgin', written in a cursive style.

MICHELLE HIGGIE  
**EXECUTIVE ASSISTANT**

Attachments: 1 Creative New Zealand Letter (A424683)

18 March 2019

Chris Ryan  
 Chief Executive  
 Waitomo District Council  
 PO Box 404  
 Te Kuiti 3941

RECEIVED  
 20 MAR 2019  
 WAITOMO DISTRICT  
 COUNCIL

Tēnā koe Chris

### Results of the Review of the Creative Communities Scheme

Thank you for your ongoing commitment to partnering with Creative New Zealand to deliver the Creative Communities Scheme (CCS).

In a letter dated 17 October 2018 we advised that we were reviewing CCS in advance of entering into new contracts with territorial authorities in mid-2019.

The review aimed to ensure that CCS is aligned with our Investment Strategy Te Ara Whakamua 2018–2023, which was published in April 2018.<sup>121</sup> Creative New Zealand is reviewing all its categories of investment to ensure we are supporting an arts sector that has **diversity and reach**, is creating **dynamic arts** and is **resilient**.

As set out in our October letter, the review of CCS was limited in scope given the scheme's already strong delivery to the Investment Strategy. The review focused on:

- reviewing the funding formula
- understanding how well the scheme is delivering to Māori, Pasifika and other diverse communities
- reviewing the purpose of CCS to ensure it is aligned with the Investment Strategy
- administrative aspects of the scheme, including reporting requirements.

In completing the review, we took into account information collected from a survey of CCS administrators conducted in late 2018.

As a result of the review, the Arts Council is proposing changes to the funding formula and to the guidelines for assessment committees.

#### ***Funding formula***

We are proposing to adjust the formula for determining the level of funding provided to each territorial authority, as set out in the table below.

Component	Current formula	Proposed formula
Base grant	\$6,000	\$15,000
Variable component (per capita amount)	\$0.70	\$0.60
Plus	GST component	GST component

<sup>121</sup> [Investment Strategy Te Ara Whakamua 2018–2023](#)

The proposed changes will help deliver to our Investment Strategy *Diversity and reach* feature of *investment that ensures communities across New Zealand can participate in and experience the arts, and investment that engages with under-represented communities.*

The aim is to increase funding for smaller communities (ie, those outside of the main centres) that have a lower rating base, and are comparatively under-represented in Creative New Zealand investment through our other programmes.

Given delays in the release of 2018 Census data, we are proposing to use Stats NZ population estimates as at 30 June 2018 to calculate the per capita component for the 2019/20 financial year. The current formula uses 2013 Census data. We expect to adjust funding levels to align with Census data from the start of the financial year after the release of the 2018 data.

**Appendix 1** sets out the impact of adjusting the funding formula on all 67 territorial authorities. It shows current funding allocations and funding allocations under the proposed formula.

To account for population increases and to apply the new formula, Creative New Zealand plans to increase its investment in the scheme from approximately \$3.4 million to **\$4 million per annum**.

The result is that **all** territorial authorities will receive an increase on their current funding allocation.

Due primarily to the increased base grant (from \$6,000 to \$15,000), 59 of the 67 territorial authorities will receive a higher level of funding than if we had applied the current formula to the new population estimates.

As a result of the decreased per capita component (from \$0.70 to \$0.60), the eight largest councils will receive a lower level of funding than if we had applied the current formula to the new population estimates. However, they will receive a higher level of funding overall due to population growth.

Recognising that smaller territorial authorities will receive a significant increase in funding under the proposal, and that it may take some time to adjust to these levels, Creative New Zealand will consider several measures to ensure councils are able to expend their funds. This includes:

- some tolerance for territorial authorities to carry over funds for a period until they can adjust to new funding levels
- encouraging territorial authorities to support larger projects
- encouraging territorial authorities to collaborate with neighbouring councils to support larger, regionally-focused projects
- considering what support Creative New Zealand can provide to help councils promote the scheme, particularly to diverse communities.

We welcome any comments or feedback you have on the proposed changes to the funding formula for the Creative Communities Scheme.

#### ***Delivery to Māori, Pasifika and other diverse communities***

We are proposing to:

- **require** Auckland Council, Wellington City Council and Christchurch City Council to appoint to their CCS assessment committee(s) a minimum of one person with knowledge of local Asian arts activity and knowledge of one or more local Asian communities

- **encourage** other councils, and particularly metropolitan councils (ie, those with populations over 90,000), with significant Asian populations to appoint to their CCS assessment committee(s) a minimum of one person with knowledge of local Asian arts activity and knowledge of one or more local Asian communities.

When referring to Asian people we use the Level 1 Stats NZ definition/population grouping.<sup>122</sup>

This proposal is consistent with a similar provision agreed between Creative New Zealand and the territorial authorities with high Pasifika populations to include on their assessment committees *a minimum of one person of Pacific Island descent, with expertise in a range of Pacific artforms and knowledge of local Pasifika communities*. In addition, all committees must include at least one member of Māori descent who has local knowledge of Māori arts activity.

This proposal recognises that:

- Asian people are currently under-represented in applications to CCS relative to their population
- there is currently no requirement for councils to include members with knowledge of Asian arts on assessment committees
- New Zealand's population is changing – by 2038, Asian people are projected be the second largest ethnic group in New Zealand (22 percent nationally; and 35 percent in Auckland)
- Asian people tend to be concentrated in major centres, and they currently form the second largest ethnic group in the territorial authority boundaries of Auckland Council, Christchurch City Council and the Wellington City Council
- increasingly, Creative New Zealand will be interested in ensuring that the make-up of assessment committees reflects the communities they serve, and that the scheme invests in a range of arts practices that reflect New Zealand's growing diversity.

We welcome any comments or feedback you have on the proposed change to the requirements for assessment committees, and particularly from those councils affected by the provision.

### ***Creative Communities Scheme purpose***

We propose retaining the current purpose of CCS:

*The Creative Communities Scheme supports and encourages communities throughout New Zealand to create and present diverse opportunities for accessing and participating in local arts activities.*

*The scheme funds projects and activities that:*

*(yyyyyyy) create opportunities for local communities to engage with, and participate in local arts activities*

*(zzzzzzz) support the diverse arts and cultural traditions of local communities, enriching and promoting their uniqueness and cultural diversity*

*(aaaaaaaa) enable and encourage young people (under 18 years) to engage with, and actively participate in the arts.*

<sup>122</sup> <http://archive.stats.govt.nz/methods/classifications-and-standards/classification-related-stats-standards/ethnicity.aspx>

**Administrative aspects of the scheme**

We are considering several minor administrative changes to the operation of the scheme, and these will be communicated through the contracting round.

**We'd like to hear what you think of the proposed changes**

If you have any feedback or comments on these proposals, please send them to [ccsadmin@creativenz.govt.nz](mailto:ccsadmin@creativenz.govt.nz), or to Creative New Zealand, PO Box 3806, Wellington 6140, by **Monday 15 April 2019**.

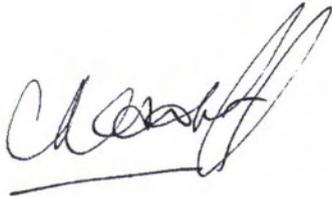
**Next steps**

The Arts Council will make a final decision on the changes proposed to the scheme in April 2019, taking into account any feedback received from territorial authorities.

Creative New Zealand will then develop new contracts for administering the scheme and provide these to territorial authorities by 31 May 2019.

If you have any questions please contact Elizabeth Beale, Manager Policy Services, at: [elizabeth.beale@creativenz.govt.nz](mailto:elizabeth.beale@creativenz.govt.nz)

Nāku noa, nā



Cath Cardiff  
**Senior Manager, Arts Development Services**

cc Creative Communities Scheme Administrators