

WAITOMO DISTRICT COUNCIL

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 25 JUNE 2024 AT 9:00AM

PRESENT: Mayor John Robertson
Deputy Mayor Allan Goddard
Dan Tasker
Eady Manawaiti
Gavin Todd
Janene New
Janette Osborne

STAFF: Chief Executive, Ben Smit
Manager – Governance Support, Michelle Higgie
Chief Financial Officer, Tina Hitchen
General Manager – Infrastructure Services, Shyamal Ram
General Manager – Strategy and Environment, Alex Bell
Property and Facilities Manager, Liz Riley
General Manager – Community Services, Helen Beever
Manager – Strategy and Policy, Charmaine Ellery

1. Karakia Tuwhera

2. Declarations of Member Conflicts of Interest

No declarations were made.

3. Confirmation of Minutes: 28 May 2024

Resolution

The Minutes of the Waitomo District Council meeting of 28 May 2024 be confirmed as a true and correct record.

Robertson/New Carried

4. Confirmation of Minutes: 4 June 2024

Resolution

The Minutes of the Waitomo District Council meeting of 4 June 2024 be confirmed as a true and correct record.

Robertson/New Carried

5. Receipt of Unconfirmed Minutes: Appointments of Chief Executive Relationship Committee – 11 June 2024

Resolution

The Unconfirmed Minutes of the Appointments of Chief Executive Relationship Committee meeting of 11 June 2024, including the public excluded Minutes, be received.

Robertson/Manawaiti Carried

6. Mayor's Report – June 2024

Council considered a business paper presenting the Mayor's Report for June 2024.

The Mayor expanded verbally on the business paper and answered Members questions and undertook to meet with Otorohanga Mayor Max Baxter to discuss amalgamation of the two councils.

Resolution

The Mayor's Report – J

Robertson/Goddard Carried

7. Chief Executive's Report – June 2024
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Council considered a business paper providing the Chief Executive's oversight of the organisation and its progress toward achieving its vision, outcomes, and priorities.

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

Resolution

The Chief Executive's Report – June 2024 be received.

Tasker/Todd Carried

8. Leadership/Governance, Finance and Information Services Activity Update Report
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The Chief Financial Officer and Chief Executive expanded verbally on the business paper and answered Members questions.

Resolution

The business paper on Information Services, Finance and Leadership/Governance Activity Update Report be received.

Osborne/Manawaiti Carried

9. Civic Financial Services Limited – 2024 Annual General Meeting and Annual Report 2023

Council considered a business paper seeking ratification of the appointment of a Proxy for the 2024 Civic Financial Services Limited Annual General Meeting and to present the Annual Report for Civic Financial Services Limited (CFSL) for the year ended 31 December 2023.

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

Resolution

- 1 The business paper on Civic Financial Services Limited – 2024 Annual General Meeting and Annual Report 2023 be received.
- 2 Council ratify the action of the Mayor in appointing the Chief Executive of Civic Financial Services Ltd to act as Proxy for the Waitomo District Council at the Civic Financial Services Limited – 2024 Annual General Meeting.
- 3 The Civic Financial Services Ltd Annual Report for the year ended 31 December 2023 be received.

Robertson/Goddard Carried

10. Financial Report for the period ended 31 May 2024
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Council considered a business paper circulated separately to the Agenda providing an overall progress report on Waitomo District Council's financial activities for the period ending 31 May 2024.

The Chief Financial Officer, General Manager – Infrastructure Services and Chief Executive expanded verbally on the business paper and answered Members questions.

The General Manager – Infrastructure Services entered the meeting at 9.29am.

The General Manager – Strategy and Environment entered the meeting at 9.38am.

Resolution

The business paper on the Financial Report for the period ended 31 May 2024 be received.

Manawaiti/Osborne Carried

11. 2024 General Revaluation

Council considered a business paper providing a brief on the process for the 2024 General Revaluation for properties in the Waitomo District.

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

Resolution

The business paper on 2024 General Revaluation be received.

Robertson/Todd Carried

The Chief Financial Officer left the meeting at 9.44am.

The Property and Facilities Manager entered the meeting at 9.45am.

The General Manager – Community Services entered the meeting at 9.46am.

12. Regulatory Activity Update Report
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Council considered a business paper providing an update the Council on work programmes that form part of the regulatory activity.

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

Resolution

The business paper on the Regulatory Activity Performance Reporting be received.

New/Goddard Carried

The General Manager – Strategy and Environment left the meeting at 9.49am.

13. Te Kuiti Aquatic Centre Condition Report

Council considered a business paper informing of significant issues with the main pool at the Te Kuiti Aquatic Centre.

The Property and Facilities Manager, Chief Executive and General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

Resolution

- 1 The business paper on Te Kuiti Aquatic Centre be received.
- 2 Council notes that an assessment and decision from Waitomo District Council's Insurer is forthcoming on the damages to the main pool.
- 3 Council approve Option 1: To maintain the current standard of the main pool without immediate upgrades and to assess its future and strategic direction.

Robertson/New Carried

14. Universal Water Meters and User Pays System – Maniaiti/Benneydale Pilot Study

Council considered a business paper seeking approval to use the Maniaiti/Benneydale water supply scheme as a pilot study to inform the next stage of the universal water meter and user pays system conversation which was introduced through the draft Long Term Plan 2024 Consultation Document.

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

Resolution

- 1 The business paper on Universal water meters and user pays system – Maniaiti/Benneydale Pilot Study be received.
- 2 Council approve the proposal to use Maniaiti/Benneydale as a Pilot Study to inform the Districtwide move to universal water metering and full user pays system to fund water supply services.

Robertson/Manawaiti Carried

The Chief Financial Officer entered the meeting at 10.07am.

15. Adoption of Waste Management and Minimisation Plan 2024

Council considered a business paper providing the draft Waste Management and Minimisation Plan (WMMP) 2024 for consideration and adoption in accordance with Section 43 of the Waste Minimisation Act 2008 (the Act).

The Property and Facilities Manager expanded verbally on the business paper and answered Members questions.

Resolution

- 1 The business paper on adoption of the final Waste Management and Minimisation Plan 2024 be received.
- 2 The Waste Management and Minimisation Plan 2024 be adopted.

Robertson/Osborne Carried

The Manager – Strategy and Policy entered the meeting at 10.09am.

16. Policy Review – Long Term Plan 2024-2034

Council considered a business paper presenting for adoption, the final draft of policies reviewed as part of the Long Term Plan 2024-2034 development.

Council noted that the Accounting Policies, Financial and Non-financial Assumptions, Key Performance Measures, and Financial and Infrastructure Strategies are included as part of the Long Term Plan document and therefore adopted as part of the Long Term Plan 2024-2034.

The Chief Financial Officer and Manager – Strategy and Policy expanded verbally on the business paper and answered Members questions.

Resolution

- 1 The business paper on Policy Review – Long Term Plan 2024-2034 be received.
- 2 Council adopt the amended Revenue and Financing Policy.
- 3 Council adopt the amended Treasury Policy.
- 4 Council adopt the Significance and Engagement Policy.
- 5 Council adopt the Policy on Appointment of Directors to Council Controlled Organisations.

Tasker/Todd Carried

17. Adoption of Long Term Plan 2024-2034 and Setting of Rates for Financial Year 2024/2025

Council considered a business paper -

- a. Presenting the final draft Long Term Plan 2024-2034 (LTP) including the Financial and Infrastructure Strategies for Council consideration and adoption as per Section 93 of the Local Government Act 2002 (LGA); and
- b. Setting the rates for the 2024/25 financial year pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002 (LGRA 2002).

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

Resolution

- 1 The business paper on Long Term Plan 2024-2034 and Setting of Rates for the Financial Year 2024/2025 be received.
- 2 Council adopt the Financial Strategy and Infrastructure Strategies components of the final draft Long Term Plan 2024-2034.
- 3 Council adopt the final draft Long Term Plan 2024-2034.
- 4 The Chief Executive be delegated authority to make any final editorial amendments to the final draft Long Term Plan 2024-2034 and any changes requested by the Council at this meeting.
- 5 Pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002, Council set the rates, charges and instalment due dates for the 2024/25 financial year commencing 1 July 2024 and ending on 30 June 2025 as follows:

1. GENERAL RATE

A General Rate set under section 13 of the Local Government (Rating) Act 2002 (LGRA) made on every rating unit across the District, assessed as a rate per \$100 of capital value. The General Rate is not set differentially. The General Rate will contribute to the funding of:

Leadership
Other Land and Buildings
District Libraries
Aquatic Centre
Les Munro Centre

Aerodrome
 Public Facilities
 Parks and Reserves
 Elderly Persons Housing
 Community Halls
 Cemeteries
 Community Development
 Economic Development
 District Promotion
 Emergency Management
 Regulatory Services
 Waste Minimisation
 Resource Management
 Gallagher Recreation Centre

Requirement in 2024/25 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the District	0.23825	10,628

2. UNIFORM ANNUAL GENERAL CHARGE

A Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District, set under Section 15(1)(b) of the LGRA. The UAGC will contribute to the funding of:

Leadership
 Parks and Reserves
 District Libraries
 Aquatic Centre
 Les Munro Centre
 Other Land and Buildings
 Public Facilities
 Elderly Persons Housing
 Community Halls
 Cemeteries
 Aerodrome
 Community Development
 District Development
 District Promotion
 Emergency Management
 Regulatory Services
 Resource Management
 Waste Minimisation
 Gallagher Recreation Centre

Requirement in 2024/25 (incl. GST)

Uniform Annual General Charge	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district	\$350	1,986

Definition of SUIP

A separately **used** or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

For the avoidance of doubt, a **rating** unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

3. TARGETED RATES

Targeted Rates are set on categories of land defined by some factor, such as geographic location, provision of service, area or the use to which the land is put. The titles of 'Targeted Rate' (TR) and 'Targeted Fixed Rate' (TFR) are used by this Council. Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value or water consumption.

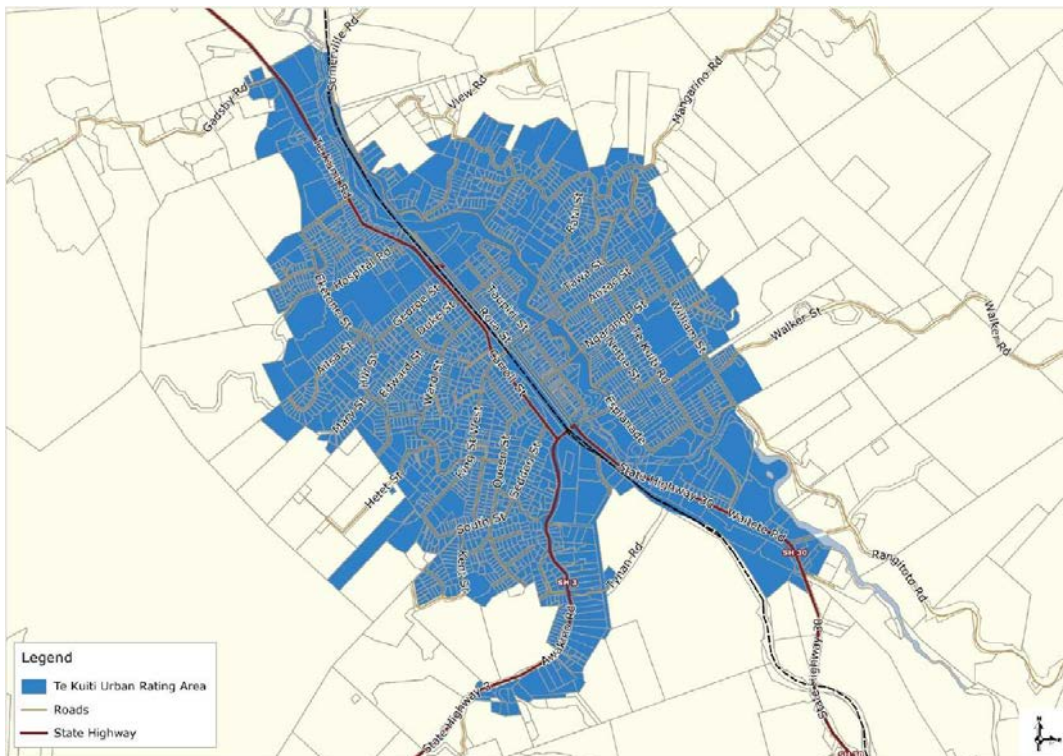
Targeted Rates Differentiated on Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Piopio Retirement Village Contribution TFR, Rural Stormwater TFR, and Te Kuiti Urban Stormwater TFR and targeted rate.

The following location definitions for the respective rating areas and maps will apply:

Te Kuiti Urban Rating Area	All rating units situated within the Te Kuiti Urban Rating Area (Refer to Revenue and Financing Policy for further details)
Rural Rating Area	All rating units situated within the Rural Rating Area (Refer to Revenue and Financing Policy for further details)
Piopio Township	All rating units connected or with the ability to connect to the Piopio Wastewater System (Refer to Revenue and Financing Policy for further details)
Piopio Wider Benefit Rating Area	All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIPs connected or with the ability to connect to the Piopio Wastewater System) that are deemed to indirectly benefit from the Piopio Wastewater reticulation network. (Refer to Revenue and Financing Policy for further details)

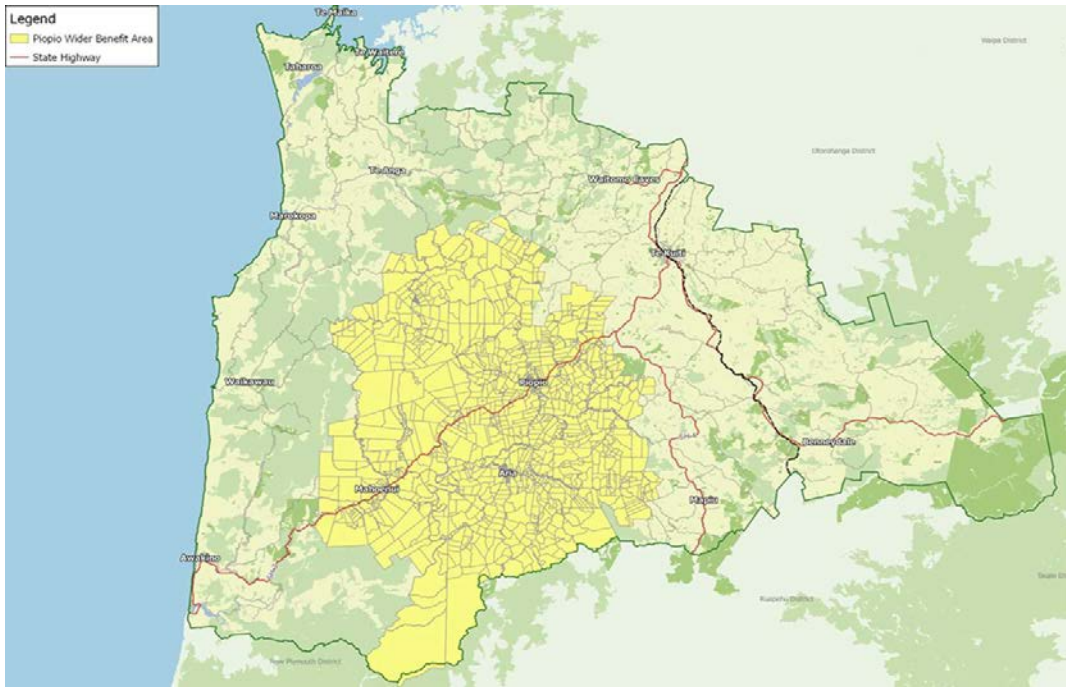
Te Kūiti Urban Rating Area



Rural Rating Area



Piopio Wider Benefit Area



Differentials and factors of liability

Targeted rates may be set differentially, with different categories of land attracting a different level of rate. Council has chosen to differentiate the **District** Roding Rate into two categories and will use the 'use to which the land is put' to define land liable for these rates (schedule 2 (1) LGRA).

Differential Category Definitions

The following land use categories and differential factors will apply to the District Roding Rate:

a) District Roding Rate - General

All rating units in the district excluding those properties categorised as differential b) below.

The District Roding Rate – General category will have a differential factor of 1.0.

b) District Roding Rate - Forestry Exotic

Rating units that have been assigned the FE category code (Forestry Exotic) by Council's Valuation Service Provider and/or properties that are partially used for exotic forestry.

The District Roding Rate – Forestry Exotic category will have a differential factor of 3.0.

Properties with a mixed use

Where rating units have a mixed use (e.g.; pastoral and exotic forestry), and the area of exotic forestry is 20 hectares or more, the rating unit will be apportioned to enable the district roding rate to be charged correctly.

The portion used for exotic forestry will be charged the differential of 3.0 and the remaining portion will be charged the differential of 1.0.

3.1 District Roding Rates

Council will set a differential TR on every rating unit within the district differentiated on the basis of use. The TR will be assessed as a rate per \$100 of capital value to part fund the Roads and Footpaths Activity. The rationale for use of this rate is contained in the Revenue and Financing Policy.

District Roding Rates (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
District Roding Rate – General	0.13184	5,725
District Roding Rate – Forestry Exotic	0.39553	251

3.2 Piopio Retirement Village Contribution TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Board through the remission of service charges.

Requirement in 2024/25 (incl. GST)

Piopio Retirement Village Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$20	15

3.3 Rural Stormwater TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit in the Rural Rating Area of the District to fund the Rural Stormwater Activity.

Requirement in 2024/25 (incl. GST)

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$20	69

3.4 Te Kuiti Urban Stormwater TFR and Targeted Rate

- (i) Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit in the Te Kuiti Urban Rating Area to partly fund the Te Kuiti Urban Stormwater Activity.
- (ii) Council set a Targeted Rate under section 16 of the Local Government (Rating) Act 2002 to partly fund the Te Kuiti Urban Stormwater Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kuiti Urban Rating Area excluding those in respect of which there is a current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

Requirement in 2024/25 (incl. GST)

Te Kuiti Urban Stormwater (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$187	344

Te Kuiti Urban Stormwater Targeted Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area (excluding rating units not using network)	0.08424	643

3.5 Water Supply Rates

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 for Water Supply differentiated on the basis of supply area. The TFR is set per separately used or inhabited part of a rating unit within Te Kuiti and Rural Communities (Piopio, Maniaiti/Benneydale and Mokau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

Requirement in 2024/25 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$856	\$428	1,835
Piopio	\$1,202	\$601	299
Maniaiti/ Benneydale	\$1,202	\$601	148
Mokau	\$1,202	\$601	267

3.6 Extraordinary Water Supply Rate

Council set a TR under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP, differentiated by supply area that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw). The rates are:

Requirement in 2024/25 (incl. GST)

Water Supply Rate (TR)	2024/25 Charge per cubic metre (including GST) above 292m ³
Te Kuiti	\$3.94
Piopio	\$4.30
Maniaiti/Benneydale	\$4.74
Mokau	\$6.30
Total Revenue Requirement (\$000)	\$1,439

Metered Water Supply Due Dates

	Reading Period	Due Date
Te Kuiti Meat Companies	Monthly	15 th of the month following invoice
Te Kuiti, Piopio, Mokau and Maniaiti/Benneydale	Jul – Dec 2024 Jan – Jun 2025	15 th of the month following invoice

3.7 District Wide Benefit Rate for Water Supply

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the district to part fund the water supply activities.

Requirement in 2024/25 (incl. GST)

District Wide Benefit Rate for Water Supply (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$61	283

3.8 Wastewater Rates

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 to provide for the collection and disposal of sewage. The TFR is set per separately used or inhabited part of a rating unit within the district, with liability calculated based on whether the SUIP is connected to the wastewater network, or merely serviceable (Serviceable means the rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council).

Requirement in 2024/25 (incl. GST)

Wastewater (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Maniaiti/Benneydale	\$1,111	\$555	127
Te Waitere	\$1,111	\$555	22
Te Kuiti	\$1,111	\$555	1,942
Piopio	\$1,111	\$555	232

3.9 Wastewater rates for non-residential properties in Te Kuiti

For all non-residential properties in Te Kuiti, Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per SUIP set on a differential basis based on the following Categories

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

Base Charge:

Requirement in 2024/25 (incl. GST)

Non-Residential Targeted Rate (TFR)	Base Charge per SUIP (up to 4 pans)	Per serviceable SUIP	Total Revenue Requirement (\$000)
Category 1	\$555	\$555	113
Category 2	\$555	\$555	25
Category 3	\$1,111	\$555	19

Pan Charge:

Requirement in 2024/25 (incl. GST)

Non-Residential Targeted Rate (TFR)	Number of pans	Charge per pan (Pan Charge)	Total Revenue Requirement (\$000)
Category 1	5th pan and over	\$777	80
Category 2	5-10 Pans	\$333	5
	Over 10 Pans	\$222	27
Category 3	5th pan and over	\$777	47

3.10 Trade Waste Contribution TFR

Council set a Trade Waste Contribution TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kuiti Wastewater Network.

Requirement in 2024/25 (incl. GST)

Trade Waste Contribution (TFR)	Charge Per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$41	188

3.11 District Wide Benefit Rate for Wastewater

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the district to part fund the wastewater activities.

Requirement in 2024/25 (incl. GST)

District Wide Benefit Rate for Wastewater (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
All rating units in the District	\$63	293

3.12 Solid Waste Collection Rate

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kuiti, Piopio, Mokau (including Awakino) communities and Waitomo Village and some surrounding parts).

Requirement in 2024/25 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$66	137
Waitomo	\$69	48
Piopio	\$146	34
Mokau	\$158	45

3.13 Solid Waste Rate

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit District wide to part fund the Solid Waste activity.

Requirement in 2024/25 (incl. GST)

Solid Waste (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the District	\$276	1,538

4 RATES PAYMENTS

Rates will be payable in four equal instalments with the due dates for payments being:

1st Instalment	30 August 2024 (Friday)
2nd Instalment	29 November 2024 (Friday)
3rd Instalment	28 February 2025 (Friday)
4th instalment	30 May 2025 (Friday)

Note

The due date for payment of each instalment is the last working day in each of the months specified above. Rates payments will be allocated to the oldest debt first.

5. RATES REMISSIONS AND POSTPONEMENTS

Council has developed a rates remissions policy as per LGA (section 102 (3)(a), 108 and 109) and LGRA (Section 85). Remission categories include Properties Used Jointly as a Single Unit, Community Organisations and Clubs and Societies, Organisations Providing Care for the Elderly, New Residential Subdivisions, Maori Freehold Land, Cases of Land Affected by Natural Calamity, Cases of Financial Hardship, New Businesses, Penalties, and Rates and/or penalties following a Rating Sale or Abandoned Land Sale. The estimated value of these remissions is \$178,000 for the 2024/25 year.

Under the Policy on Remission of Rates, Council will not offer any permanent postponements of rates.

6. PENALTIES

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2024 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 1	3 September 2024
Instalment 2	3 December 2024
Instalment 3	4 March 2025
Instalment 4	4 June 2025

- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2024 that remains unpaid on 1 July 2024, to be added on 5 July 2024.
- (c) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.

6 Council thanked officers for the work put into preparation of the Long Term Plan 2024-2034.

Robertson/Manawaiti Carried

The General Manager – Strategy and Environment entered the meeting at 10.19am.

18. Adoption of Fees and Charges for the year commencing 1 July 2024

Council considered a business paper presenting the Fees and Charges Schedule for adoption to come into effect 1 July 2024.

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

Resolution

- 1 The business paper on Adoption of Fees and Charges Schedule 2024/25 be received.
- 2 Council adopt the Fees and Charges Schedule for the 2024/25 Financial Year to become effective on 1 July 2024.

Todd/Tasker Carried

19. Motion to Exclude the Public

Council considered a business paper enabling Council to consider whether or not the public should be excluded from the consideration of Council business.

Resolution

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
Release of Council Property for Housing Development – Esplanade and Mangarino Street, Te Kuiti (Riverview Heights)	Section 7(2)(c)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a)(i)
Chief Executive's Annual Performance Review – Setting of Remuneration for 2024/2025	Section 7(2)(a) – To protect the privacy of natural persons, including that of deceased natural persons	Section 48(1)(a)(i)

- 3 Council agree the following staff, having relevant knowledge to assist in the consideration of the public excluded – "Release of Council Property for Housing Development – Esplanade and Mangarino Street, Te Kuiti (Riverview Heights)" remain in attendance to assist the Council with its decision making for the item.

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Strategy and Environment	Portfolio Holder
General Manager – Infrastructure Services	Portfolio Holder
General Manager – Community Services	Portfolio Holder

- 4 This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in the public.

Robertson/Tasker Carried

The meeting adjourned for morning tea at 10.25am and reconvened at 10.46am.

20. Public Excluded Items to be made public following Council's decision taking**Resolution**

Following Council's consideration and decision taking of the public excluded items, Council agreed information be made public as follows:

1 Release of Council Property for Housing Development – Esplanade and Mangarino Street, Te Kuiti (Riverview Heights)

The Resolutions only be made public as follows:

Resolution

- 1 *The business paper on Release of Council Property for Housing Development – Esplanade and Mangarino Street, Te Kuiti (Riverview Heights) be received.*
- 2 *That a Steering Group consisting of the Mayor and Deputy Mayor be formed to review options with the Executive for the potential development of the Riverview Heights land and that this Group report back to Council at its September 2024 meeting.*
- 3 *That potential developers be approached to test their appetite to develop this parcel of land.*

Robertson/New Carried

2 Chief Executive's Annual Performance Review – Setting of Remuneration for 2024/2025

Resolutions 1 and 3 only be made public as follows:

Resolution

- 1 *The business paper on Chief Executive's Annual Performance Review – Setting of Remuneration for 2024/2025 be received....*
- 3 *Greg Tims of Greg Tims & Associates, Human Resource Consultants, be engaged as Advisor to Council's Appointments and Chief Executive Relationship Committee....*

Manawaiti/Goddard Carried

Robertson/Tasker Carried

There being no further business the meeting closed at 11.10am

Dated this day of

JOHN ROBERTSON
MAYOR

Confidential Confidential

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Confidential

Document No: A731295

Report To: Council



Meeting Date: 30 July 2024

Subject: Local Government New Zealand – 2024 Annual General Meeting – Consideration of Remits

Type: Decision Required

Author(s): Michelle Higgle
Manager – Governance Support

1. Purpose of Report

- 1.1 The purpose of this business paper is for Council to determine how it wishes to vote at the 2024 LGNZ AGM on the remits received.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on Local Government New Zealand – 2024 Annual General Meeting – Consideration of Remits be received.
 - 2 Councillor Osborne be authorised to vote in support/opposition of the Remits to be considered at the 2024 Local Government New Zealand Annual General meeting as follows:

Remit	Support / Oppose	Comments
1 Representation reviews		
2 Community Services Card		
3 Local government constituencies & wards should not be subject to referendum		
4 Entrenchment of Māori wards seats for local government		
5 Graduated driver licensing system		
6 Proactive lever to mitigate the deterioration of unoccupied buildings		
7 Appropriate funding models for central government initiatives		
8 Goods and services tax (GST) revenue sharing with local government		

3. Commentary

3.1 The 2024 LGNZ AGM and Conference is being convened in Wellington over the period Wednesday 21 August to Friday 23 August 2024.

3.2 Councillor Janette Osborne and the Chief Executive will be attending. For voting purposes, Cr Osborne has been registered as Council's presiding delegate and the Chief Executive as alternate.

3.3 2024 LGNZ REMITS

3.4 Proposed remits, other than those relating to the internal governance and constitution of LGNZ, should address only major strategic "issues of the moment". They should have a national focus articulating a major interest or concern at the national political level.

3.5 LGNZ's Remits Screening Policy includes the criteria that remits must have formal support from at least one Zone or Sector Group meeting, or five councils, prior to their being submitted, in order for the proposer to assess support and clarity of the proposal.

3.6 LGNZ has screened and distributed the eight Remits to be considered at the 2024 LGNZ AGM to enable Council's to consider how they wish to vote on each.

3.7 A summary of the Remits is as follows:

1	REPRESENTATION REVIEWS
Remit:	That LGNZ advocate for changes that support the provision of timely and accurate regional and sub-regional population data to councils for use in council representation reviews.
Proposed by:	Waikato Regional Council
Supported by:	LGNZ Zone 2
2	COMMUNITY SERVICES CARD
Remit:	That LGNZ advocate to Central Government to amend the Health Entitlement Cards Regulations 1993 so that the cardholder can use the Community Services Card as evidence for the purposes of accessing Council services which would otherwise rely on a form of means testing.
Proposed by:	Palmerston North City Council
Supported by:	LGNZ Zone 3
3	LOCAL GOVERNMENT CONSTITUENCIES & WARDS SHOULD NOT BE SUBJECT TO REFERENDUM
Remit:	That LGNZ lobbies central government to ensure that Māori wards and constituencies are treated the same as all other wards in that they should not be subject to a referendum. We oppose the idea that Māori wards should be singled out and forced to suffer a public referendum.
Proposed by:	Palmerston North City Council
Supported by:	Zone 3, Te Pae Tawhiti (Horizons Region, Māori ward and constituency councillors)

4	ENTRENCHMENT OF MĀORI WARDS SEATS FOR LOCAL GOVERNMENT
Remit:	That LGNZ proactively promote and lobby to entrench the Māori Wards and Constituencies for the 64 councils which currently have these, to require the support of a supermajority of parliament should either parliament or councils seek their removal.
Proposed by:	Northland Regional Council
Supported by:	LGNZ Zone 1 (Northland Regional Council, Far North District Council, Whangarei District Council)
5	GRADUATED DRIVER LICENSING SYSTEM
Remit:	That LGNZ advocate for changes to the fee structure for driver licensing, better preparing young people for driver license testing, and greater testing capacity in key locations throughout New Zealand, in order to relieve pressure on the driver licensing system and ensure testing can be conducted in a quick and efficient manner.
Proposed by:	Ashburton District Council
Supported by:	Hurunui District Council, Kaikōura District Council, Selwyn District Council, Timaru District Council, Waimakariri District Council and Waitaki District Council
6	PROACTIVE LEVER TO MITIGATE THE DETERIORATION OF UNOCCUPIED BUILDINGS
Remit:	<p>That LGNZ advocate to Government:</p> <ul style="list-style-type: none"> • For legislative change enabling local authorities to compel building owners to remediate unoccupied derelict buildings and sites that have deteriorated to a state where they negatively impact the amenity of the surrounding area. • To incentivise repurposing vacant buildings to meet region-specific needs, for example, accommodation conversion.
Proposed by:	Gisborne District Council
Supported by:	Rotorua Lakes Council, South Wairarapa District Council, Wairoa District Council, New Plymouth District Council, Napier City Council, Rangitikei District Council, Whanganui District Council, Dunedin City Council
7	APPROPRIATE FUNDING MODELS FOR CENTRAL GOVERNMENT INITIATIVES
Remit:	That LGNZ proactively promote and lobby for the development of a more equitable and appropriate funding model for central government initiatives.
Proposed by:	Northland Regional Council
Supported by:	Zone 1 (Northland Regional Council, Far North District Council, Whangarei District Council).

8 GOODS AND SERVICES TAX (GST) REVENUE SHARING WITH LOCAL GOVERNMENT

Remit: That LGNZ be proactive in lobbying central government on sharing GST revenue with local government, derived from local government rates and service fees related to flood protection mitigation, roading, and three waters, for investment in these areas.

Proposed by: Northland Regional Council

Supported by: LGNZ Zone 1 (Northland Regional Council, Far North District Council, Whangarei District Council).

3.8 Council needs to work through the remits above and determine how Cr Osborne is to vote at the AGM.

Note: Mayor Robertson will not be present at this meeting, however he has provided the following feedback via email:

From: John Robertson
Sent: Friday, 5 July 2024 3:15 pm
To: Michelle Higgie
Cc: Ben Smit; AllCouncillors
Subject: RE: LGNZ Remits

Follow Up Flag: Follow up
Flag Status: Completed

Thanks Michelle.

I had a look through these earlier.

I think we should vote against 3 and 4 on Maori Wards. My view is that the new Government has been elected with a mandate on this matter and that LGNZ members should accept this. I do not believe it helps LGNZ to keep trying to fight against the Government's policy on these wards. Time to move on.....

However as I will not be present, I am happy to accept the decision on all these made in the majority.

Regards

John Robertson | Mayor
Waitomo District Council
 15 Queen Street, Te Kuiti 3910
 PO Box 404, Te Kuiti 3941
 Phone 07 878 0800 | Fax: 07 878 7771
www.waitomo.govt.nz | [Follow us on Facebook](#)
...Vibrant communities and thriving business



[NZ'S FIRST WORLD WAR CENTENARY 2014-2019](#)

4. Attachments/Separate Enclosures

Separate Enclosures:

1 LGNZ 2024 AGM Remit Papers

Document No: A731168

Report To: Council



Meeting Date: 30 July 2024

Subject: Adoption of Statement of Intent 2024/25 for Co-Lab

Type: Decision Required

Author(s): Tina Hitchen
Chief Financial Officer

1. Purpose of Report

- 1.1 The purpose of this business paper is to present and adopt the Statement of Intent (SoI) for 2024/25 for Co-Lab.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on Adoption of Statement of Intent 2024/25 for Co-Lab be received.
 - 2 Council adopt the Co-Lab Statement of Intent for the year ended 30 June 2025.
 - 3 That the Co-Lab Statement of Intent for the year ended 30 June 2025 be published on Council's website.

3. Background

- 3.1 The draft SoI for the year ended 30 June 2025 was presented to Council on 26 March 2024. Council resolved the draft SoI from Co-Lab be received and no changes were suggested to the draft SoI.
- 3.2 Section 64 of LGA 2002 also requires the board of all CCOs to deliver a completed SoI to the shareholders before the commencement of the financial year to which it relates.
- 3.3 Enclosed separately and forming part of this business paper is a copy of the final Co-Lab Statement of Intent for the year ended 30 June 2025.

4. Commentary

- 4.1 Co-Lab has delivered a completed the final SoI prior to the commencement of the 2024/25 Financial Year.
- 4.2 Co-Lab Board adopted and delivered a SoI that is consistent with the draft SoI presented to Council on the 26 March 2024, with no material changes.
- 4.3 The final SoI financial forecasts have been updated to reflect increases in both revenue and expenditure forecasts mostly for the Waikato Regional Transport model.

5. Analysis of Options

- 5.1 The LGA requires Council to publish the final Statement of Intent on its website within one month of adoption and maintain the document on the website for a period of no less than 7 years.

6. Considerations**6.1 RISK**

- 6.2 There is minimal risk in adopting the Sol as presented. Council considered the draft Sol at the 26 March 2024 Council meeting and there are no material changes to the final Sol.

6.3 CONSISTENCY WITH EXISTING PLANS AND POLICIES

- 6.4 The decision to adopt the Sol 2024/25 as presented will be consistent with Council's understanding of the future plans of Co-Lab and its objectives for the CCO.

6.5 SIGNIFICANCE AND COMMUNITY VIEWS

- 6.6 The Sol for 2024/25 is aligned to Co-Lab constitution and their plans and forecasts discussed with the Council previously and is generally aligned with the expectations of Council from its shareholding. Therefore, the decision is not considered to require public engagement as per Council's Significance and Engagement Policy.

7. Recommendation

- 7.1 The Sol for Co-Lab for the year ended 30 June 2025 be adopted and published on Council's website.

8. Attachments/Separate Enclosures

Attachments:

- 1 Statement of Intent 2024 – Co-Lab (A731169)



2024 Statement of intent

For the year ended 30 June 2025

**Council collaboration through Co-Lab
maximises community wellbeing.**

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This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Ltd trading as Co-Lab (Co-Lab). It outlines the nature and scope of the work it will undertake, the Directors' accountabilities to the shareholders for corporate performance and financial forecasts, as required by Schedule 8 of the Local Government Act 2002. This information is provided in relation to the financial years ended 30 June 2025 to 30 June 2027.

Message from the Chair



“If you make your business about helping others, you’ll always have plenty of work” – Blogger Chris Guillebeau.

When I read this quote, I felt it summed up the role Co-Lab plays for councils, and equally summed up councils’ role in helping communities. Co-Lab is a non-profit owned by councils. Co-Lab exists to help its shareholding councils maximise community wellbeing. It does this by identifying and realising shared opportunities through collaboration.

It’s clear that there is plenty of work ahead for councils and Co-Lab. The next year will likely be made more complex by legislative reform and rates increases, and other change that will undoubtedly come from a new government.

To ensure we are focused on the right tasks, allowing our council shareholders to assist their communities, for the first time Co-Lab Management has created a 3-year strategy. The strategy will see the company:

- Improve the way that it communicates the value it provides to shareholders, and increase that value;
- Focus on growing shared services, which may include providing services to councils who are not shareholders, but never at the expense of value to shareholders; and
- Employ great people with diversity of thought so shareholders receive high-quality services.

This strategy builds on our Benefits of Collaboration Framework, which clarifies the value and measures of regional collaboration through Co-Lab into three main outcomes: reducing costs, creating value and enabling innovation and collaboration.

In this Statement of Intent, we are signalling our intention to adopt the three-year strategy and new related performance measures, although work towards these goals began as soon as The Board and council ELTs validated it during 2023.

We are committed to playing our part in helping councils reduce costs. We will be reducing council member charges for FY2024/25, from what they otherwise would have been, by ~\$900k across our various workstreams, using cash-on-hand. This manifests itself as a significant operating loss in that year but reflects a one-off adjustment, so the company remains in a sustainable financial position longer term.

On the back of the Government’s repeal of the water reform legislation and the proposed “Local Water Done Well” approach, our financial forecasts now assume that Co-Lab Waters will remain with Co-Lab throughout the forecast period.

Yours Sincerely,
Peter Stubbs
Chair

Statement of Intent at a glance - our 3-year strategy



Commentary

While Co-Lab has had a performance framework in place for some time, it did not include long-term goals and did not provide a clear line of sight for Co-Lab people to understand how their individual KPIs related to it. And while the previous vision and purpose were adequate, the vision needed to more strongly indicate what Co-Lab is about – collaboration.

In creating the three-year strategy, we considered the operating environment for the next three to five years and what is important to shareholders in the success of their council-controlled organisation (CCO). With this in mind, we still have work to do for our shareholders to perceive value from Co-Lab, and improve that value, for our existing services to be better utilised, and to grow the suite of services on offer. To achieve strategic goals one and two, we need to invest in our people.

For the purpose of articulating our strategy, we have referred to 24 new instances of Co-Lab shared services being utilised. In this context, these instances could include councils that already have some existing Co-Lab services that may take up other existing Co-Lab services or newly available Co-Lab services, and councils that are not shareholders that may take up Co-Lab services. This objective in our strategy is not about increasing Co-Lab shareholders.

We have reviewed the previous performance measures. In most cases, while these previous measures may continue to be monitored internally at an operational level, they have been superseded by the new objectives.

Performance measures

To ensure we deliver against our 3-year strategy, we will be using the following annual Key Performance Indicators (KPI).

Strategic goal	3-year Objective	Annual KPI
Shareholding councils understand we provide them value	<ul style="list-style-type: none"> We know the value we provide shareholders has improved by 15%, by 30 June 2027* <i>(baseline y/e 30 June 23)</i>. By 30 June 2027, 80% of shareholders agree they get value from Co-Lab. All shareholders take up at least one additional shared service. <p><i>*Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).</i></p>	<ul style="list-style-type: none"> Year-on-year increase in the value we provide to councils. 80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey). Year-on-year increase in the utilisation of services we provide to councils.
Deliver value by growing the scale of our shared service function	<ul style="list-style-type: none"> 24 new instances of Co-Lab shared services being utilised, by June 2027 <i>(baseline y/e 30 June 23)</i> 	<ul style="list-style-type: none"> Year-on-year increase in the utilisation of services we provide to councils. Year on Year increase in the number of services available to councils.
Diverse, talented and motivated people work for us	<ul style="list-style-type: none"> Maintain staff engagement above 85% Staff turnover is less than 15%. Our vacancies are filled by suitable candidates within 3 months. <p><i>All baselined y/e 30 June 23)</i></p>	<ul style="list-style-type: none"> Maintain staff engagement above 85% Staff turnover is less than 15%. Vacancies are filled by suitable candidates within 3 months.

Nature & Scope of services

Co-Lab has three main functions.

1. Acts as an “ideas laboratory” – working with councils to investigate and develop opportunities to work together;
2. Delivers shared services to councils; and
3. Enters joint procurement arrangements

Opportunity Development

Co-Lab seeks to develop opportunities that will reduce costs, create value for councils, or enable innovation.

If you'd like more information on the Opportunity Development Projects we are currently investigating, please get in touch.

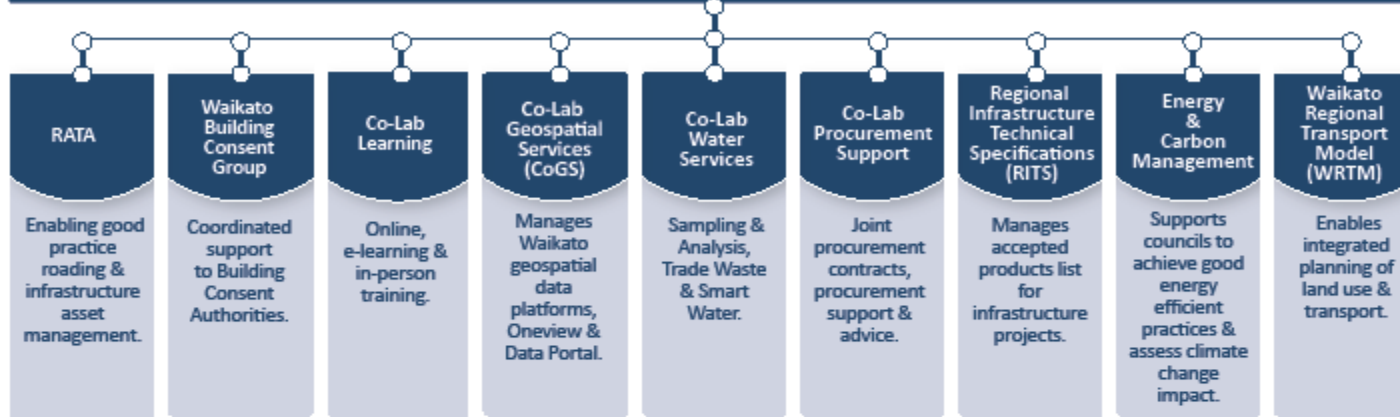
Shared Services

A list of our shared services follows on page 7. For more information on our services, please visit our website www.colabsolutions.govt.nz

Joint procurement

Co-Lab enters joint procurement arrangements for the benefit of councils, with a focus on value for money and supply certainty. As part of this Co-Lab operates two panels- a professional services panel and a legal services panel = to provide easy and compliant access to these services. Co-Lab also manages a number of joint contracts with suppliers that councils can be part of.

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



PARTICIPATING COUNCILS 2024

Shareholding Councils

Hamilton City Council	●	●	●	●	●	●	●	●	●
Hauraki DC	●	●	●	●	●	●			
Matamata-Piako DC	●	●	●	●	●	●	●	●	●
Ōtorohanga DC	●	●	●	●	●	●			
Rotorua Lakes Council			●	●	●	●	●	●	
South Waikato DC	●		●	●	●	●	●	●	
Thames-Coromandel DC	●	●	●			●		●	●
Waikato DC	●	●	●	●		●	●	●	●
Waikato Regional Council	●		●	●		●		●	●
Waipā DC	●	●		●	●	●	●	●	●
Waitomo DC	●	●	●	●	●	●			
Western Bay DC						●			
Other Councils									
Taupō DC	●			●	●	●		●	●
Service GROWN since 2019	●			●			●		●
Service NEW since 2019	●		●		●	●			

Financials

Overview

Services

Revenue from services decreases in the 2024/25 financial year (FY), as we intend to utilise cash surpluses across the workstreams wherever possible to minimise the cost to councils.

Member charges

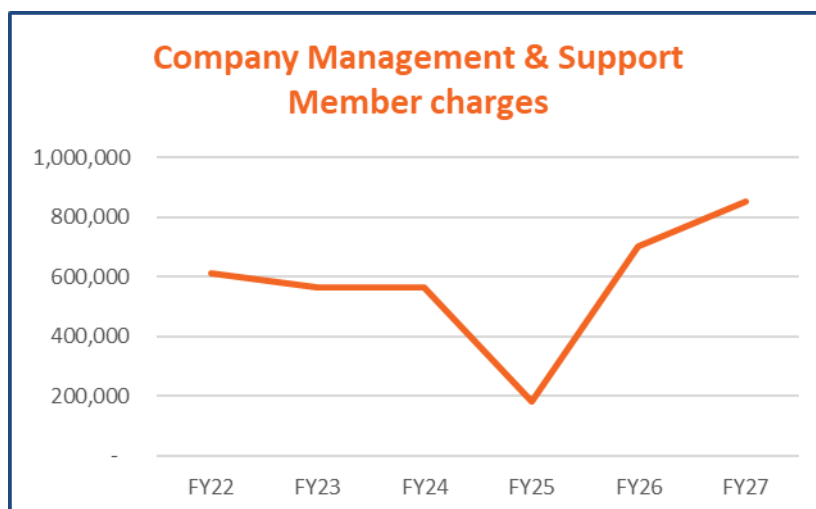
In the past few years, we have held member charges for core operating costs (company management and support) relatively constant. We intend to use current cash surpluses to reduce member charges in FY25. Councils will still be charged for the individual shared services they use but the cash surpluses will result in markedly lower member charges, to help our shareholding councils at this time.

In this SOI we are also signalling our intention to change the way we ask councils to fund cross-council infrastructure procurement resource. The financial forecasts reflect the resource being included under Company Management & Support, and accordingly funded through member charges, as opposed to what has to date been a user pays model. By doing so this removes what we believe has been a key barrier to councils using the resource.

The change will take effect with an 18-month trial to assess its success or otherwise.

Considering the above, there is a 'one-off' reduction in member charges for FY25, with member charges returning to 'normal levels' from FY26 (taking into account the change in approach for funding cross-council infrastructure).

We are always considering where there are opportunities to reduce costs without undermining our ability to deliver value to you, and how we might otherwise increase revenue streams. Our goal remains to minimise the increase in member charges.



Cashflow

We intend to draw on cash reserves to fund the operating losses that are forecast in the out-years. While doing so our financial position remains robust.

Statement of Financial Performance

Co-Lab					
Company Summary					
for the forecast financial years ended 30 June 2025-2027					
	Budget 2023/24	Forecast 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Income					
Company Management / Support	1,209,916	970,286	589,962	1,121,340	1,285,407
Working parties projects	724,929	713,349	628,741	576,178	604,987
RITS	27,000	27,000	-	-	11,977
Information Technology	766,177	772,835	-	-	-
Energy Management	137,838	144,824	94,421	151,642	159,224
Shared Valuation Data Service (SVDS)	447,506	368,825	392,892	409,638	425,251
Road Asset Technical Accord (RATA)	1,504,614	2,280,627	2,082,874	2,573,383	2,362,527
Waikato Regional Transport Model (WRTM)	1,751,775	643,615	1,163,990	1,644,615	512,904
Waikato Building Consent Group	381,350	357,924	160,194	341,750	402,607
Waikato Mayoral Forum	5,000	5,005	10,130	10,637	11,168
Water Collaboration	493,988	-	-	-	-
Co-Lab Water Services	3,474,554	3,684,498	4,260,948	4,473,995	4,697,695
Co-Lab Learning	423,368	440,615	445,907	556,632	564,214
Procurement	325,000	250,286	193,442	203,114	213,270
Geospatial	69,170	70,770	31,677	43,376	91,356
Communications Resource	224,400	65,773	62,484	65,608	68,889
Total Income	11,966,585	10,796,232	10,117,661	12,171,908	11,411,475
Operating Expenditure					
Company Management / Support	1,507,208	1,243,455	1,480,105	1,568,234	1,639,699
Working parties projects	724,929	740,637	628,741	576,178	604,987
RITS	15,600	24,157	24,469	25,693	26,977
Information Technology	666,474	749,815	-	-	-
Energy Management	137,838	140,731	144,421	151,642	159,224
Shared Valuation Data Service (SVDS)	309,151	282,920	302,063	311,574	321,394
Road Asset Technical Accord (RATA)	1,500,183	2,577,990	2,078,443	2,568,819	2,357,735
Waikato Regional Transport Model (WRTM)	1,722,615	643,615	1,163,990	1,644,615	512,904
Waikato Building Consent Group	381,350	370,161	360,194	381,750	402,607
Waikato Mayoral Forum	5,000	5,000	10,130	10,637	11,168
Water Collaboration	491,474	-	-	-	-
Co-Lab Water Services	3,236,070	3,331,138	4,021,258	4,222,320	4,433,437
Co-Lab Learning	473,159	491,176	517,349	556,632	564,214
Procurement	329,696	324,629	193,442	203,089	213,218
Geospatial	69,170	70,783	82,863	87,006	91,356
Communications Resource	224,400	64,817	64,001	67,189	70,536
Total operating expenditure	11,794,318	11,061,025	11,071,468	12,375,379	11,409,456
Earnings before interest, tax and depreciation/ amortisation (EBITDA)	172,267	(264,793)	(953,807)	(203,471)	2,019
Depreciation / amortisation					
Company Management / Support	41,665	27,419	44,087	46,292	48,606
WBCG	0	3,076	3,072	3,072	3,072
Co-Lab Learning	0	867	864	864	864
Procurement	0	1,791	1,872	1,872	1,872
Communications	0	770	840	840	840
WRTM	29,160	-	-	-	-
Total Depreciation / amortisation	70,825	33,923	50,735	52,940	55,254
Earnings before interest and tax (EBIT)	101,442	- 298,715	(1,004,542)	- 256,410	- 53,235
Net Surplus (Deficit) before tax	101,442	(298,715)	(1,004,542)	(256,410)	(53,235)

We are budgeting losses in all the forecasted years to utilise cash surplus on hand and future surplus from SVDS and Co-Lab Waters.

Statement of Financial Position

Co-Lab					
Financial Position					
for the forecast financial years ended 30 June 2025-2027					
	Budget 2023/24	Forecasted 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
CAPITAL					
Shares - SVDS	1,607,001	1,607,001	1,607,001	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Retained Earnings	(1,467,033)	(460,604)	(759,319)	(1,763,861)	(2,020,272)
Plus Current Year Operating Surplus/(Deficit)	2,466	(298,715)	(1,004,542)	(256,410)	(53,235)
TOTAL CAPITAL FUNDS	1,492,434	2,197,682	1,193,140	936,729	883,495
ASSETS					
CURRENT ASSETS					
Prepayments	134,000	4,128	3,300	3,465	3,638
Accounts Receivable	580,998	598,329	505,883	608,595	570,574
Bank	2,164,346	2,397,159	1,862,744	1,583,677	1,556,814
GST Receivable / (Payable)	5,097	(28,145)	(30,554)	65,120	68,083
TOTAL CURRENT ASSETS	2,884,442	2,971,471	2,341,373	2,260,857	2,199,109
NON-CURRENT ASSETS					
WRTM - Intangible Asset	2,296,855	2,296,855	2,296,855	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	1,195	1,195	1,195
Accumulated Depreciation	(2,298,050)	(2,298,050)	(2,298,050)	(2,298,050)	(2,298,050)
IT Equipment & Office Furniture	150,132	185,000	197,500	197,500	197,500
Accumulated Depreciation - IT equipment & Office Furniture	(41,546)	(33,923)	(92,281)	(139,440)	(188,804)
TOTAL NON-CURRENT ASSETS	108,587	151,077	105,219	58,060	8,696
TOTAL ASSETS	2,993,028	3,122,549	2,446,592	2,318,917	2,207,805
LESS CURRENT LIABILITIES					
Accounts Payable	1,415,383	785,965	1,101,958	1,218,874	1,148,200
Accounts Payable Accrual	32,173	33,782	37,244	39,106	41,062
Employee Benefits	53,038	105,120	114,251	124,207	135,049
TOTAL CURRENT LIABILITIES	1,500,594	924,866	1,253,452	1,382,187	1,324,310
NET ASSETS	1,492,434	2,197,682	1,193,140	936,729	883,495

Statement of Cashflows

Co-Lab					
Statement of Cashflows					
for the forecast financial years ended 30 June 2025-2027					
	Budget 2023/24	Forecasted 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27
Cashflows from Operating Activities					
Interest Received / (Paid)	80,625	60,594	70,282	70,272	70,261
Receipts from Other Revenue	11,868,628	11,850,047	10,137,268	11,998,714	11,379,015
Payments to Suppliers	(11,879,652)	(11,470,117)	(10,741,854)	(12,246,599)	(11,467,286)
Taxes Paid	0	0	0	0	0
Goods & Services tax (net)	30,937	(271,978)	2,409	(95,674)	(2,963)
Net cash from operating activities	100,538	168,546	(531,895)	(273,287)	(20,973)
Cashflows from Investing Activities					
Capital enhancements	0	0	0	0	0
Purchase of PPE	(30,334)	(84,502)	(4,877)	(5,780)	(5,891)
Purchase of investments	0	0	2,358	0	0
Net cash from investing activities	(30,334)	(84,502)	(2,519)	(5,780)	(5,891)
Net increase in cash, cash equivalents and bank accounts	70,205	84,044	(534,415)	(279,067)	(26,863)
Opening cash and cash equivalents and bank overdrafts	2,164,346	2,313,115	2,397,159	1,862,744	1,583,677
Closing cash, cash equivalents and bank accounts	2,234,551	2,397,159	1,862,745	1,583,677	1,556,814
Summary of Bank Accounts					
BNZ - Call a/c	2,234,551	2,397,159	1,862,744	1,583,677	1,556,814
Closing Balance of Bank	2,234,551	2,397,159	1,862,744	1,583,677	1,556,814

Appendix I: Governance

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

- Hamilton City
- Waipa District
- Waikato Regional
- South Waikato District
- Waitomo District
- Thames-Coromandel District
- Matamata-Piako District
- Hauraki District
- Rotorua Lakes District
- Western Bay of Plenty District
- Waikato District
- Ōtorohanga District

Co-Lab's³ vision is that council collaboration through Co-Lab maximises community wellbeing. The company's purpose is to achieve this vision by helping councils identify and realise shared opportunities.

It achieves these outcomes by:

- Acting as an ideas laboratory for developing opportunities that create value to councils;
- Providing shared services to councils; and
- Entering joint procurement arrangements for the benefit of councils.

Co-Lab conducts itself in accordance with its constitution, its annual Statement of Intent, the provisions of the LGA and Co-Lab policies.

The Board is made up five council representative directors and an independent Chair. There is also a standing Audit & Risk Committee.

The current Directors of Co-Lab are:

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
Lance Vervoort	Hamilton City Council
Ben Smit	Ōtorohanga, Rotorua, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
Vacant	Hauraki, Matamata-Piako, Thames-Coromandel District and Western Bay of Plenty District Council

³ Co-Lab is the trading name of Waikato Local Authority Shared Services Ltd

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

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

Appendix II: Policy Statements

Statement of accounting policies

Reporting entity

Waikato Local Authority Shared Services Limited ("the Company") is a Company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The company is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002 (LGA), by virtue of the shareholding councils' right to appoint the Board of Directors.

The primary objectives of the Company are to:

- Develop opportunities that benefit the Waikato region's local authorities; and
- Act as a vehicle to deliver value-added services to those local authorities.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

Summary of significant accounting policies

Basis of preparation

Financial statements are prepared on the going concern basis, and the accounting policies are applied consistently throughout the period.

Statement of Compliance

Financial statements are prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Financial statements are prepared in accordance with and comply with Tier 2 PBE Standards reduced disclosure regime (RDR). WLASS is eligible to report under the RDR as it:

- is not publicly accountable; and
- has expenses more than \$2 million, but less than \$30 million.

The accounting policies set out below are consistent with the prior year, other than the inclusion of policy:

- on operating leases, related to the lease of commercial premises;
- employees; and
- property, plant and equipment.

Measurement base

The financial statements are prepared on a historical cost basis.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated. The functional currency of the Company is New Zealand dollars.

Goods and services tax

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

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed exclusive of GST.

Critical accounting estimates and assumptions

In preparing the financial statements the Company makes estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas requiring estimate or assumptions made that are considered to carry a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Intangible assets

Useful lives and residual values

At each balance date the Company reviews the useful lives and residual values of its intangible assets. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires the Company to consider a number of factors such as the expected period of use of the asset by the Company and expected disposal proceeds from the future sale of the future sale of the asset.

An incorrect estimate of the useful life of residual value will impact the amortisation expense recognised in the income statement and carrying amount of the asset in the balance sheet. The Company minimises the risk of this estimation uncertainty by reviewing that the asset technology is still relevant and there is no alternative options to recreate the asset at a lower price.

Impairment of intangible assets

Intangible assets measure at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus deficit.

Revenue

Revenue

Revenue comprises the fair value of the considerations received or receivable for the sale of goods and services, excluding GST, rebates and discounts and after eliminating sales within the Company. No provisions have been recorded as all revenue and trade receivables are expected to be received.

Other Revenue

Member charges for all activities are recognised when invoiced to the user (i.e. councils). The recorded revenue is the net amount of the member charges payable for the transaction.

Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. Until such time, contributions are recognised as liabilities.

Operating expenses

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Personnel costs

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

Receivables

Short-term receivables are recorded at the amount due, less any provision for amounts not considered collectable.

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

Intangible assets Other financial assets

Investments in bank deposits are measured at fair value plus transaction costs.

At each balance date the Company assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the income statement.

Payables and deferred revenue

Short-term creditors and other payables are recorded at their face value.

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

Contributions received for projects that were not completed in a financial year are recognised as deferred revenue until the Company provides, or is able to provide, the service for which the contribution was charged.

Employee benefits liabilities

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These includes salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Reconciliation of equity

Equity is the shareholders interest in WLASS and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

Contributed equity

Contributed equity is the net asset and liability position at the time the company was formed. The allocation of capital amongst shareholders is explained in this note.

Retained earnings

Retained earnings is the company's accumulated surplus or deficit since formation.

Document No: A731200

Report To: Council



Meeting Date: 30 July 2024

Subject: Adoption of Statement of Intent 2024/25 Inframax Construction Ltd

Type: Decision Required

Author(s): Tina Hitchen
Chief Financial Officer

1. Purpose of Report

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

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on Adoption of Statement of Intent 2024/25 for Inframax Construction Limited be received
 - 2 Council adopt the Statement of Intent for year ended 30 June 2025 for Inframax Construction Limited.
 - 3 That the Statement of Intent for Inframax Construction Limited be published on Council's website.

3. Background

- 3.1 Council considered the draft SoI at the 26 March 2024 meeting and resolved that no changes were required to the draft SoI for the year ending 30 June 2025.
- 3.2 Section 64 of LGA 2002 also requires the board of all CCOs to deliver a completed SoI to the shareholders before the commencement of the financial year to which it relates.
- 3.3 The final SoI was received on 2 July 2024.
- 3.4 Enclosed separately and forming part of this business paper is a copy of the final ICL Statement of Intent for the year ended 30 June 2025.

4. Commentary

- 4.1 ICL Board have adopted and delivered a SoI that is consistent with the draft SoI presented to Council on the 26 March 2024.
- 4.2 There has been one change to the final SoI in relation to the dividend policy with the addition of the following point under section 8 of the Statement of Intent.
- 4.3 *The Directors are delighted to advise that given the improvement in the Company's financial performance over the past two financial years, the prospect of making dividend payments*

can be contemplated. Directors now believe a dividend payment in the range of \$0 - \$250,000 per annum may be paid in the medium horizon, depending on the Company's financial performance (profitability), cash flows from operations and the Company's future capital investment needs.

- 4.4 The inclusion of this statement in the final Sol for 2024/25 is a positive signal from the Company following an improved financial position over recent years. The last dividend payment received from the Company was in 2007.
- 4.5 Should the Company be in a position to pay a dividend, any dividend payment is subject to the Directors being satisfied as to the solvency of the Company, the meeting of its bank covenants and the integrity of its asset replacement and investment programme.
- 4.6 Under the Treasury Policy, Council may determine how any dividend revenue received will be used through the Long Term Plan, Annual Plan process or by Council resolution.

5. Analysis of Options

- 5.1 The LGA requires Council to publish the final Statement of Intent on its website within one month of adoption and maintain the document on the website for a period of no less than 7 years.

6. Considerations

6.1 **RISK**

- 6.2 Council considered the draft Sol at the 26 March 2024 Council meeting with no suggested changes. With the exception of the change in the dividend policy there have been no other changes since the draft Sol was considered by Council.

6.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 6.4 The decision to adopt the Sol 2024/25 as presented will be consistent with Council's understanding of the future plans of ICL and its objectives for the CCO.

6.5 **SIGNIFICANCE AND COMMUNITY VIEWS**

- 6.6 The Sol 2024/25 is aligned to ICL's constitution and plans and forecasts discussed with the Council previously and is generally aligned with the expectations of Council from its shareholding. Therefore the decision is not considered to require public engagement as per Council's Significance and Engagement Policy.

7. Recommendation

- 7.1 The Sol for ICI for the year ended 30 June 2025 be adopted and published on Council's website.

8. Attachments/Separate Enclosures

Attachments:

- 1 Statement of Intent – Inframax Construction Ltd (A731220)

Inframax Construction Limited

STATEMENT OF INTENT

FOR THE YEAR ENDING 30 JUNE 2025

1.0 INTRODUCTION

1.1 Inframax Construction Limited is –

- a limited liability company pursuant to the Companies Act 1993.
- a Council Controlled Organisation pursuant to Section 6 of the Local Government Act 2002.

1.2 This Statement of Intent is prepared to meet the requirements of Section 64 and Schedule 8 of the Local Government Act 2002.

1.3 It outlines the activities and intentions of Inframax Construction Limited and the objectives to which those activities will contribute. Performance targets and measures are specified, along with the Company's policies relating to governance and other matters.

1.4 The Statement of Intent is reviewed annually by the Company following consultation with Waitomo District Council.

2.0 NATURE AND SCOPE OF ACTIVITIES

2.1 The core business of the Company will be roading maintenance and construction, quarrying and crushing of aggregates and maintenance and construction of utilities and infrastructure assets.

2.2 The Company will compete for infrastructure contracts in the central western North Island Districts and in other areas where it is identified that such contracts will yield an appropriate rate of return or where the Company believes that there are sound commercial reasons for doing so.

2.3 The Company may expand into other ventures and/or activities that are consistent with the Company's objectives and the provisions of the Local Government Act 2002.

3.0 OBJECTIVES

The principal objective of Inframax Construction Limited is to operate as a successful business and to contribute to the wellbeing of the communities in which it operates.

In pursuing the principal objective, the Company and Directors shall:

- Maximise the long-term viability and profitability consistent with the Shareholder's objectives for ownership and value creation.
- Seek and develop profitable business opportunities that make best use of the people, technical and financial resources of the Company.
- Continue to review the available options for the share ownership of the Company, to be able to provide informed advice to the Shareholder as to the most efficient arrangements to enhance both profitability and Shareholder value.

- Ensure assets and liabilities are prudently managed consistent with the nature of a contracting business.
- Ensure transparent and informed relationships are maintained with the shareholder within the spirit of 'no surprises'.
- Act as a good employer by:
 - Providing a work environment that recruits, fosters and maintains safe, competent, motivated, committed and productive employees
 - Recognising and rewarding excellent performance of any staff.
- Act in an environmentally and socially responsible manner and implement sustainable business practices.

4.0 CORPORATE GOVERNANCE

Pursuant to Section 57 of the Local Government Act 2002, the Board of Directors is appointed by the shareholder to govern and direct the activities of the Company.

All Directors are required to comply with a formal Code of Conduct, which is based on the Institute of Directors in New Zealand's Code of Practice for Directors.

(a) **Role of the Board of Directors**

The Directors' role is defined in Section 58 of the Local Government Act 2002. This section states that all decisions relating to the operation of the CCO shall be made pursuant to the authority of the directorate of the Organisation and its Statement of Intent. The Board consults with the Company's shareholder in preparing and reviewing the Statement of Intent.

The Board meets on a regular basis and is responsible for the proper direction and control of the Company's activities. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and reporting to the shareholder.

The Board accepts that it is responsible for the overall control system operating within the Company but recognises that no cost-effective internal control system will permanently preclude all errors or irregularities. The control systems reflect the specific risks associated with the business of the Company.

To achieve this governance the Board will:

- Conduct regular briefings with the designated shareholder representatives to discuss emerging risk and opportunities of the business, the general forecast performance expectations and to learn of relevant changes in council policies, expectations and risk appetite.
- Act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of the company.
- Act in accordance with the Constitution and Statement of Intent.
- Ensure compliance with applicable legislation, regulation, codes and accounting standards.
- Structure itself to utilise the expertise of Directors to add value.

- Monitor the effectiveness of overall governance and make changes as needed.
- Monitor and manage potential conflicts of interest of management, board members and shareholder.
- Appoint and monitor the performance and remuneration of the Chief Executive Officer and oversee succession planning.
- Ensure the Company's financial management is consistent with good business practice.
- Decide on necessary actions to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensure such actions are taken.
- Ensure the Company's goals are clearly established, and that strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from management).
- In the spirit of 'no surprises', keep the shareholder informed on significant events and issues, including those sensitive to publicity that may arise from Council being a political organisation.
- Promote a culture which requires all employees to adhere to high levels of ethical behaviour.
- Ensure the Company has appropriate risk management/regulatory compliance policies in place and that these are monitored on a regular basis.

(b) The Role of the Shareholder

The Board aims to ensure that the shareholder is informed in a timely manner of all major developments affecting the Company's state of affairs. The shareholder is consulted on the review of the Company's Statement of Intent and is responsible for the appointment of Directors. Information is communicated to the shareholder in the Annual Report, the Half-Annual Report and special meetings where required.

The shareholder is expected to:

- Deal with issues raised by the Company in a prompt and expedient fashion.
- Maintain a high level of communication with the Company on relevant matters.
- Ensure transparent and collaborative relationships are maintained with the Company.

5.0 PERFORMANCE INDICATORS

In its half-year and annual report, the Company will record its performance relating to its goals and objectives.

6.0 PERFORMANCE MEASURES AND TARGETS

The Company will endeavour to exceed the targets of the Projected Business Plan.

6.1 Ratio of Shareholder's Funds to Total Assets

The Ratio of Shareholder's Funds to Total Assets shall not be less than that set out in this Statement of Intent.

6.2 Current Ratio

The Current Ratio measures solvency. The Company will maintain a positive Current Ratio. For the purposes of this measure, "Positive" means equal to or greater than 100%.

6.3 EBITDA

Earnings before interest, tax, depreciation and amortisation gives an indication on the underlying operational profitability of the business.

6.4 Revenue

Measuring revenue growth gives a good indication of the rate at which the company has expanded the business.

6.5 Bank Covenants

The Company will meet all bank covenants.

	30 June 25	30 June 26	30 June 27
6.1 Equity Ratio Shareholders Funds expressed as a % of Total Assets	51%	52%	53%
6.2 Current Ratio Current Assets expressed as a % of Current Liabilities	Positive	Positive	Positive
6.3 EBITDA Earnings Before Interest, Tax, Depreciation and Amortisation	\$3.5m	\$3.6m	\$3.7m
6.4 Revenue Revenue Targets	\$45m	\$46m	\$47m
6.5 Bank Covenants As agreed with the Bank from time to time	Met	Met	Met

7.0 NON-FINANCIAL PERFORMANCE MEASURES

7.1 Lost Time Injury Frequency Rate

The lost time injury frequency rate will measure the number of lost time injuries for year ending 30th June 2025 relative to the number of hours worked in the same period.

$$\frac{\text{Total lost time injuries in 2025}}{\text{Total hours worked in 2025}} \times 1,000,000$$

Lost time injuries are occurrences that result in a fatality, permanent disability or time lost from work of one day/shift or more.

7.2 ACC Weekly Compensation Days

ACC weekly compensation days measures and gives an indication of workplace safety. It is also a measure of wellness in the workplace and indicates how a company cares for and rehabilitates employees injured at work. Measure is the number of compensation days incurred in the ACC calendar year.

7.3 ISO 9001 Accreditation

ISO 9001 is a quality accreditation standard verifying that the company has systems and processes in place to operate to industry best practices. It confirms that issues within the company are identified, recorded and information used to generate continual business improvement.

7.4 ISO 45001 Accreditation

ISO 45001 is a global standard for Occupational Health and Safety (OS&S) Management Systems that provides a practical solution to improve the safety and health of both employees and other personnel by preventing work-related injury and ill health, as well as by proactively improving the Company's OH&S performance.

7.5 Environmental Consent Compliance

There are three measures of environment consent compliance - full, partial and non-compliance. Full compliance of consents held by the Company indicates that all conditions of consents are met in full and the organisation is acting in an environmentally responsible manner.

7.6 Number of Broader Outcome Initiatives

The Local Government (Community Well-being) Amendment Act 2019 provides for local authorities to play a broad role in promoting social, economic, environmental and cultural well-being of their communities. Broader Outcome Initiatives are initiatives the Company deploys that contribute to the wider social, economic, cultural and environmental well-being of the communities for which it operates in.

	30 June 25	30 June 26	30 June 27
7.1 LTI Frequency Rate	Zero	Zero	Zero
7.2 ACC Weekly Compensation Days	Relating to: New injuries – zero Relating to: Prior years' injuries - 100	Relating to: New injuries – zero Relating to: Prior years' injuries - 100	Relating to: New injuries – zero Relating to: Prior year's injuries - 100
7.3 ISO 9001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved
7.4 ISO 45001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved
7.5 Environmental Consent Compliance	Full Compliance	Full Compliance	Full Compliance
7.6 Number of Broader Outcome Initiatives	15 (Waitomo District 9, Other 6)	15 (Waitomo District 9, Other 6)	15 (Waitomo District 9, Other 6)

8.0 DIVIDEND POLICY

- 8.1** Subject to the Directors being satisfied as to the solvency of the Company, the meeting of its bank covenants and the integrity of its asset replacement and investment programme, the Company is committed to the provision of annual distributions to the Shareholder.
- 8.2** The Company may declare dividends as approved by the Directors.
- 8.3** The Directors may from time to time pay interim dividends.
- 8.4** The Directors are delighted to advise that given the improvement in the Company's financial performance over the past two financial years, the prospect of making dividend payments can be contemplated. Directors now believe a dividend payment in the range of \$0 - \$250,000 per annum may be paid in the medium horizon, depending on the Company's financial performance (profitability), cash flows from operations and the Company's future capital investment needs.
- 8.5** Should a distribution to the Shareholder occur, it will be made, after consultation with the Shareholder, and after taking account of all tax considerations.

9.0 ACCOUNTING POLICIES

- 9.1** The Company will maintain accounting records in accordance with the Companies Act 1993 and the Financial Reporting Act 2013.

Significant accounting policies adopted by the Company in its Annual Report are –

- Compliance with New Zealand generally accepted accounting practice (NZ GAAP).
- Preparation on a historical cost basis, apart from Land and Buildings and Heavy Quarry Equipment which are stated at their fair value.
- Preparation on a going concern basis.
- Financial assets, other than those at fair value, are assessed for impairment at each balance date.
- Revenue and profit are primarily recognised based on value earned.
- Trade and other receivables are stated at their expected realisable value after providing for impairment.
- Aggregate stocks are valued using standard costs based on the estimated average cost of production.
- Property, plant and equipment other than Land and Buildings and Heavy Quarry Equipment (which are measured at fair value), are carried at cost less accumulated depreciation and impairment losses.
- Trade and Other Payable are recognised when the Company becomes obliged to make future payments.

10.0 INFORMATION TO BE PROVIDED TO SHAREHOLDERS

- 10.1** Annual Report and half-yearly operational report will be submitted in accordance with the Local Government Act 2002.
- 10.2** The half-yearly report will include details as are necessary to enable an informed assessment of the Company's performance during the reported period. This report will be accompanied by the Chairman's review of the period. The half-yearly report will be made available to the Shareholder no later than 1 March in every year.
- 10.3** The Annual Report will include all items required by the Companies Act 1993, the Financial Reporting Act 2013 and such other information as the Directors deem necessary for the Shareholder to measure performance of the Company against performance targets as agreed in the Statement of Intent.

11.0 SIGNIFICANT ACQUISITIONS

- 11.1** Procedure to be followed as per Schedule 8, Clause 9(1)(i) of the Local Government Act 2002 regarding share transactions will be at the discretion of the Directors unless the acquisition qualifies as a major transaction as defined in 10.3.
- 11.2** The Board will consult with the Shareholder before making any significant acquisition including investment in another entity.
- 11.3** Acquisitions involving more than 10% of the total assets of the company will constitute a "major transaction" under Section 129 of the Companies Act 1993 and will require a special resolution of the Shareholder.

12.0 ESTIMATED COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT

- 12.1** Net Assets in the Annual Report as at 30 June 2023 stood at \$12.56m.
- 12.2** An independent valuation of the shares in the company was undertaken in September 2023. The valuation method adopted for the valuation was an earnings capitalisation valuation (as opposed to an asset based valuation method). The valuation, using the earnings based approach, assessed that the fair value of 100% of the shares in the Company at 30 June 2023 was between \$9.2m and \$12.1m, with a midpoint of \$10.6m.
- 12.3** The Directors believe that as the business continues to deploy and realise value from business improvement initiatives, the company's operating performance and, in turn, the earnings based valuation of the shares will continue to grow.

13.0 CAPITAL SUBSCRIPTION

- 13.1** No capital will be required from the Shareholder.
- 13.2** No capital injections from the Shareholder are expected in the current period.

Document No: A729023

Report To: Council



Meeting Date: 30 July 2024

Subject: **Statement of Intent 2024 - 2027 for the NZ Local Government Funding Agency Limited**

Type: Information Only

Author(s): Wayne La Roche
Asset Accountant

Tina Hitchen
Chief Financial Officer

1. Purpose of Report

- 1.1 The purpose of this business paper is to present the Statement of Intent 2024-27 (SoI) for the NZ Local Government Funding Agency Limited (LGFA).

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on Statement of Intent 2024-27 for the NZ Local Government Funding Agency Limited be received.
 - 2 Council note the Statement of Intent 2024-27 for the NZ Local Government Funding Agency Limited and accompanying letter.

3. Background

- 3.1 The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand.
- 3.2 Waitomo District Council (WDC) joined the LGFA as a borrower and guarantor in April 2017. Substantially all its borrowings are now provided by the LGFA.
- 3.3 As a borrower WDC looks to the LGFA as first lender of choice for Council's borrowing requirements. As a guarantor to the LGFA, WDC has an ongoing interest in the financial strength of LGFA.
- 3.4 Enclosed separately and forming part of this paper is the LGFA Statement of Intent (SOI) and accompanying letter.

4. Commentary

- 4.1 LGFA has provided the final SoI which includes performance targets for the 2024/25 year and financial forecasts for three years.
- 4.2 The specific objectives and performance targets as set out in the following table, with the targets set for the 2024/25 financial year. The key assumption for the SoI and financial forecasts is there are no implications for LGFA from the Local Water Done Well Reforms and council borrowing forecasts have been based on the draft LTPs.

4.3 Noted in red are new measures and performance targets:

Strategic Priority	Measure	Target 2024/25
Governance, capacity and business practice	Compliance with Shareholder Foundation and Treasury Policies.	No breaches.
	Maintain Credit Rating.	Equal to New Zealand Government (when rated by same credit rating agency).
	A succession plan be put in place for the Board and staff to be reviewed annually.	Plan established. Staff Plan shared with Board and Board Plan shared with Shareholders' Council.
	Total Operating Income for the period to 30 June 2025.	>\$31.4 million.
	Total Operating Expenses (Excluding Approved Issuer Levy) for the period to 30 June 2025.	<\$11.5 million
Optimising financial services for local government	Market Share.	>80%
	Total Lending to Participating Borrowers.	>\$23,957 million.
	Annual Survey.	>85% Satisfaction score.
	Refinance existing loans to councils.	100%
	Lending Requests.	100% of compliant requests.
Environmental and social responsibility	Comply with the Health and Safety at Work Act 2015.	No breaches.
	Maintain Toitu Carbon Zero certification.	Carbon zero certification maintained.
	Meet carbon reduction targets.	Reduction targets met.
	Increase Green, Social & Sustainable loans (GSS) and Climate Action Loans (CALs).	Two new GSS loans undertaken, and three new borrowers enter into CALs.
	Annual Report complies with applicable GRI Standards	100% compliant
	Meet all mandatory climate reporting standards.	100%
	Provide annual seminar for councils updating them on latest sustainability developments, climate change impact and LGFA reporting requirements.	One seminar for councils and CCOs
Effective management of loans	Review Participating Borrowers financial position.	100% of Participating Borrowers
	Meet each participating borrower over a 15-month period.	100% of Participating borrowers
Industry leadership and engagement	Provide input into Local Water Done Well Legislation.	Provide feedback to DIA and Treasury during legislation drafting
	Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA.	Four quarterly updates to councils and CCOs
	Meet annually with Crown Entities and Ministries to discuss sector issues from the LGFA perspective.	Nine meetings across stakeholders

- 4.4 LGFA's financial forecasts have been increased from the 2023-26 Sol and include the following:

\$millions	Jun 2025	Jun 2026	Jun 2027
Net interest income	\$29.9	\$39.6	\$41.5
P & L	\$14.5	\$21.5	\$21.2
Total Assets	\$26,555	\$29,385	\$32,909
Shareholder equity	\$129	\$149	\$169

- 4.5 The financial performance targets are followed by a number of financial ratios including a return on equity target of 12.5% for 2024/25.
- 4.6 LGFA stated objective is to maximise benefits to participating borrowers rather than shareholders and as such, subject to the Board's legal obligations and views on appropriate capital structure, dividends are discretionary.
- 4.7 Notwithstanding the above the dividend policy allows for an annual rate of return to shareholders equal to LGFA's fixed rate bond cost of funds plus 2.00% over the medium term.
- 4.8 LGFA highlights the weakening credit outlook for the sector, with S&P Global Ratings placing 21 councils and two CCOs on negative outlook.
- 4.9 In response to this, LGFA have increased the base lending margin by 5 basis points (0.05%) and also increased the proportion of borrower notes for long term lending from 2.5% to 5%. This will impact Council's future new borrowing and rollover of existing loans which will attract the 0.05% increase in credit margin and the increased level of borrower notes.
- 4.10 It is noted that interest revenue is earned on the borrower notes giving a partial offset for borrowing costs for the associated debt.

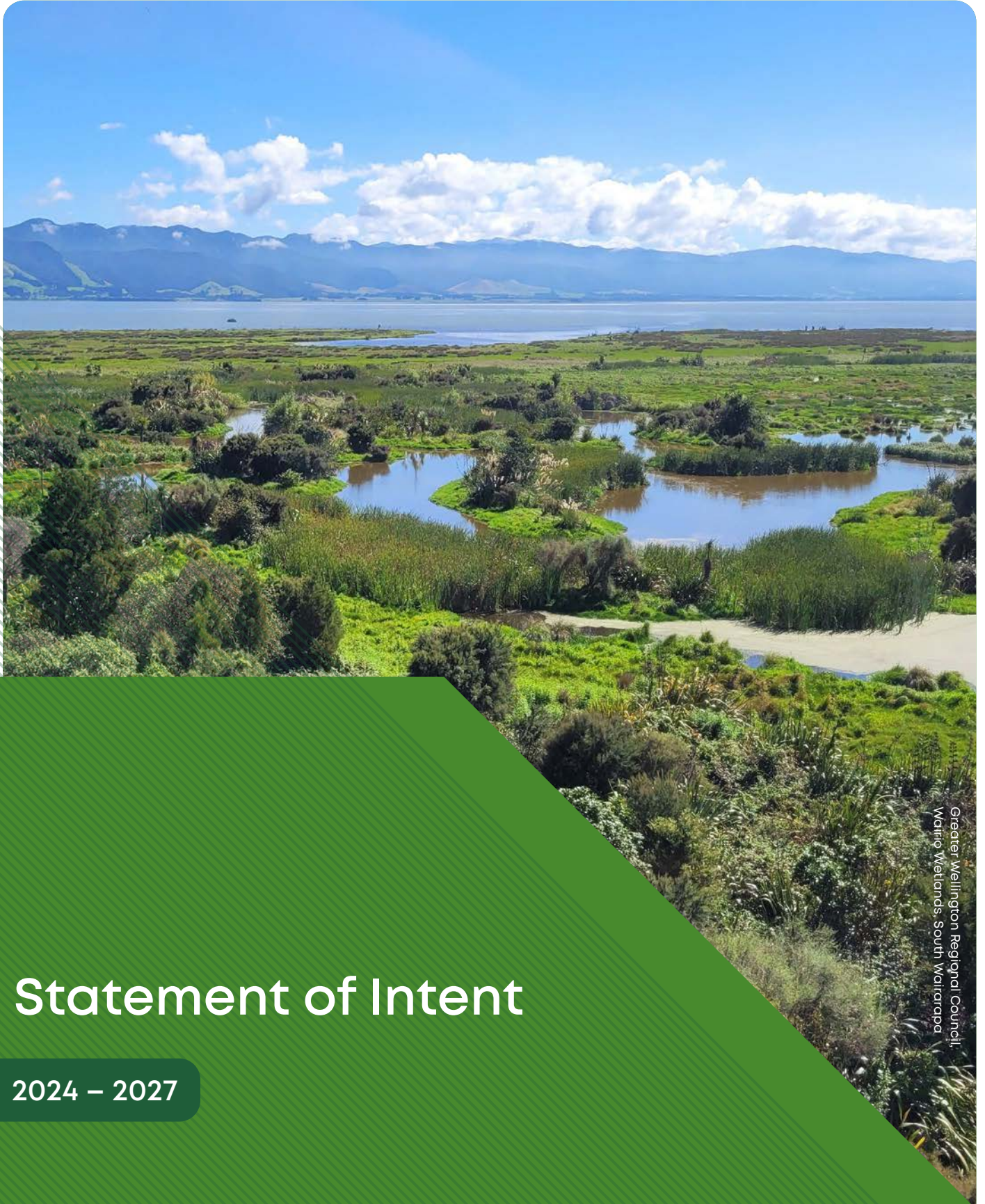
5. Attachments/Separate Enclosures

Attachments:

- 1 Local Government Funding Agency: Statement of Intent 2024 – 2027 (A729036)
- 2 Local Government Funding Agency: Accompanying Letter to the Statement of Intent 2024 – 2027 (A729038)



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



Statement of Intent

2024 – 2027

Greater Wellington Regional Council,
Wairio Wetlands, South Wairarapa

1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2024 to 30 June 2027. 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.

Note: This SOI, including financial forecasts, assumes that there are no implications for LGFA from the Local Water Done Well Reforms and council borrowing forecasts are based on Draft LTPs. We are awaiting further information relating to the establishment of the Water CCOs; how Water CCOs are intending to structure their borrowing; how the transition of revenue and debt will occur between our council members and Water CCOs, and the impact on future council borrowing intentions.

2. Nature and scope of activities

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

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

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

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

3. Our purpose Ta tatou kaupapa

Benefiting local communities through delivering efficient financing for local government.

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

4. Our values Ō mātau uara

We act with integrity

E pono ana mātau

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

We are customer focused

E arotahi ana mātau ki te kiritaki

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

We strive for excellence

E whakapau kaha mātau kia hiranga te mahi

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

We provide leadership

He kaiārahi mātau

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

We are innovative

He auaha mātau

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

5. Foundation objectives

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

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

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

6. Strategic priorities

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

Governance, capability and business practice

LGFA is committed demonstrating best practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Optimising financing services for local government

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

Environmental and social responsibility

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

Effective management of loans

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

Industry leadership and engagement

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

7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2024-2027.

The financial performance targets are focused on the 2024-2025 year and, as applicable, are based on the financial forecasts outlined in section 8.

Governance, capability and business practice

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

Performance targets	2024-2025 target
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
A succession plan be put in place for the Board and staff and be reviewed annually.	Plan established. Staff plan shared with board and Board Plan shared with Shareholders' Council
LGFA's total operating income for the period to 30 June 2025.	> \$31.4 million
LGFA's total operating expenses (excluding AIL) for the period to 30 June 2025.	< \$11.5 million

Optimising financing services for local government

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

Performance targets	2024-2025 target
Share of aggregate long-term debt funding to the Local Government sector.	> 80%
Total lending to Participating Borrowers.	> \$23,957 million
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%

Environmental and social responsibility

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

Performance targets	2024-2025 target
Comply with the Health and Safety at Work Act 2015	No breaches.
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.
Increase our GSS lending book and Climate Action Loans	Two new GSS loans undertaken. Three new borrowers enter into CALs.
Meet all mandatory climate reporting standards	100%
Provide annual seminar for councils updating them on latest sustainability developments, climate change impact and LGFA reporting requirements	One seminar for councils and CCOs

Effective management of loans

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list.
Analyse finances at the Council group level where appropriate and report to shareholders.	Participating borrowers are required to complete annual compliance certificates by the end of November each year.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested	Number of participating borrowers visited in a year
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA will be able to ensure the successful transition of existing council water-related loans to the Water CCOs (if requested by a council)

Performance targets	2024-2025 target
Review each Participating Borrower's financial position.	100%
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%

Industry leadership and engagement

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues. Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions.
Assist the local government sector with significant matters such as the Local Water Done Well Reforms and Future for Local Government	Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA.
Maintain productive relationships with central government representatives.	Report back on the alignment of LGFA and councils climate and emissions reporting requirements
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	Report back in how we are helping smaller council's understand future reporting requirements.

Performance targets	2024-2025 target
Provide input into Local Water Done Well Legislation	Provide feedback to DIA and Treasury during legislation drafting
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA	Four quarterly updates to councils and CCOs
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective.	Nine meetings across stakeholders

8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2027:

Comprehensive income \$m	Jun 25	Jun 26	Jun 27
Net Interest income	29.9	39.6	41.5
Other operating income	1.5	1.5	1.5
Total operating income	31.4	41.1	43.0
Approved Issuer Levy	5.3	7.3	9.1
Issuance & onlending costs	4.3	4.6	4.7
Operating overhead	7.2	7.6	8.0
Issuance and operating expenses	16.8	19.6	21.8
P&L	14.5	21.5	21.2

Financial position (nominals) \$m	Jun 25	Jun 26	Jun 27
Liquid assets portfolio	2,597	2,876	3,866
Loans to local government	23,957	26,509	29,043
Total Assets	26,555	29,385	32,909
Bonds on issue (ex Treasury stock)	23,702	26,277	29,485
Bills on issue	1,850	1,850	1,850
Borrower notes	707	905	1,114
Total Liabilities	26,259	29,032	32,449
Capital	25	25	25
Retained earnings	106	126	145
Dividend	(2)	(2)	(2)
Shareholder equity	129	149	169
Ratios	Jun 25	Jun 26	Jun 27
Liquid assets/funding liabilities	10.6%	10.6%	12.6%
Liquid assets/total assets	9.8%	9.8%	11.7%
Net interest margin	0.12%	0.15%	0.14%
Cost to income ratio	53.7%	47.6%	50.6%
Return on average assets	0.05%	0.07%	0.06%
Shareholder equity/total assets	0.5%	0.5%	0.5%
Shareholder equity + BN/total assets	3.2%	3.6%	3.9%
Asset growth	13.3%	10.7%	12.0%
Loan growth	16.5%	10.7%	9.6%
Return on equity	12.5%	16.6%	14.2%
Capital ratio	15.8%	17.9%	19.5%

The above forecasts assume a gross bond issuance programme of \$5.4 billion (FY25), \$5.5 billion (FY26) and \$5.9 billion (FY27) based upon term lending to councils of \$5.8 billion (FY25), \$5.2 billion (FY26) and \$6.2 billion (FY27).

Note there is a high level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the Local Water Done Well Reforms and the impact on councils.

Our council lending and LGFA bond issuance forecasts are based on the assumption that LGFA will be lending to the proposed Water CCOs if they meet the qualifying criteria for LGFA membership as a CCO. We have assumed we will not be lending to financially independent Water CCOs such as Watercare as they are unlikely to meet the qualifying criteria. There have been no final decisions regarding the transfer mechanism for assets, liabilities and revenue from councils to the proposed Water CCOs. We will update stakeholders on implications for LGFA as further information becomes available, but this is not expected until late 2024.

The above forecasts assume a 5 bps increase in base lending margins to councils and CCOs and an increase in the Borrower Notes as a percentage of loans to 5%. These changes will take place from 1 July 2024. These changes have been carefully considered by the LGFA board and are necessary to increase the capital strength of LGFA and to meet the additional costs incurred by LGFA in financing the larger borrowing requirement of the sector.

9. Dividend policy

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

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

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

10. Governance

Board

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

The Board can comprise up to seven directors. Currently the board size is six directors with five being independent directors and one being a non-independent director.

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

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

All directors are required to comply with a formal Charter.

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

Shareholders' Council

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

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

11. Information to be provided to Shareholders

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

Annual Report

The LGFA's balance date is 30 June.

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

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

Half Yearly Report

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

- Directors' commentary on operations for the relevant six-month period.
- Unaudited 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 Borrowers (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- Commentary on sustainability initiatives.

Statement of Intent

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

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

Climate Related Disclosures Reporting

LGFA will publish a Climate Related Disclosure Report by 30 September each year.

Shareholder Meetings

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

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

12. Acquisition / divestment policy

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

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

13. Activities for which compensation is sought from Shareholders

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

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

14. Commercial value of Shareholder's investment

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

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

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

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

15. Accounting policies

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

Statement of Accounting Policies

1. Reporting entity

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

LGFA is 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 borrowers.

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

2. Statement of compliance

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

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

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

3. Basis of preparation

Measurement base

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

The financial statements are prepared on an accrual basis.

Functional and presentation currency

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

Foreign currency conversions

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

Changes in accounting policies

There have no changes to accounting policies.

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.

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, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents.

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

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

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

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

Financial liabilities

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

Derivatives

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

Fair value hedge

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

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

Other assets

Property, plant and equipment

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

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

Intangible assets

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

Other liabilities

Employee entitlements

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

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

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

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

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

Income tax

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Segment reporting

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

Judgements and estimations

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

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

25 June 2024

Dear LGFA stakeholder

Statement of Intent 2024-2027

Please find attached the Statement of Intent (SOI) for the 2024-27 period.

LGFA remains focused on delivering strong results for our council borrowers and shareholders.

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

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

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality and
- Enhancing our approach to treasury and risk management.

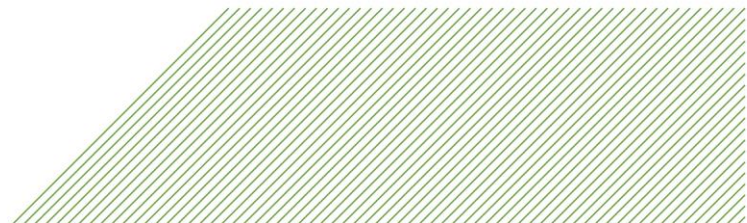
The following points regarding the 2024-27 SOI are worth noting:

- We are needing to strengthen the financial and capital position of LGFA given
 - the weakening credit outlook for the sector¹
 - the additional borrowing by councils and CCOs that has led to increase borrowing costs incurred by LGFA e.g. the cost of offshore issuance, Approved Issuer Levy, legal and issuance expenses, a larger amount of liquid assets to ensure liquidity and NZX listing fees.

We propose to do this by increasing the base on-lending margin by 5 bps (0.05%) and to increase the Borrower Notes percentage to 5%. This will improve our profitability, retained earnings, capital base and preserve our high level of creditworthiness.

- As with previous years, there remains uncertainty within the SOI forecasts relating to the amount of both council loans and LGFA bonds outstanding as this depends upon the magnitude and timing of council borrowing. The actual amount of borrowing will be influenced by the ability of councils to deliver on the capex projections in their Long Term Plans (“LTPs”), any cost increases as we well as the amount of Central Government assistance in funded capex delivery.
- The Local Water Done Well reform programme (“LWDW”) is progressing with the second (of three) Bills currently passing through Parliament. There remains uncertainty for the sector

¹ S&P Global Ratings have placed twenty-one councils and two CCO on negative outlook, and they comprise 39% of the LGFA loan book.



(and LGFA) as to the amount, timing and transition of assets, debt and revenue to the new water organisations. We have assumed that any impact from LWDW is unlikely to occur until the 2025-26 year. For our council borrowing and bond issuance forecasting purposes we have used the latest Draft 2024-34 LTPs from councils (that incorporate water related activities). The only adjustment made is that we have assumed that LGFA won't be lending to financially independent Water CCOs such as Watercare.

- The SOI performance targets are the same as the targets in the prior year SOI except we have strengthened our focus on achieving sustainability outcomes and added performance targets to our Industry Leadership and Engagement Objectives.

The changes made to the Final SOI compared to the Draft SOI that you received in February 2024 for comment have been:

- We have increased our forecasts for council borrowing in the 2024-25, 2025-26 and 2026-27 financial years by \$1.2 billion, \$340 million, and \$1.1 billion. We have increased our forecasts for LGFA bond issuance by 2024-25, 2025-26 and 2026-27 financial years by \$150 million, \$460 million, and \$1.12 billion. We have increased our forecast for LGFA Bills on issue by \$500 million.
- Net Interest Income is forecast to increase in the 2024-25, 2025-26 and 2026-27 financial years by \$1.6 million, \$1.3 million, and \$14.5 million.
- Expenses are forecast to increase by \$2.2 million in 2024-25, \$2.9 million in 2025-26 and \$3.4 million in 2026-27 with over half of the increase in expenses coming from increased Approved Issuer Levy payments to Central Government from our offshore bond issuance.
- Forecast Net Operating Profit is forecast to decrease by \$600k (2024-25) but increase by \$8.4 million (2025-26) and \$11.1 million (2026-27).

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

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

Yours sincerely



Mark Butcher
Chief Executive

Document No: A730269

Report To: Council



Meeting Date: 30 July 2024

Subject: **Confirmation of Engagement – Limited Assurance Report**

Type: Decision Required

Author(s): Charmaine Ellery
Manager – Strategy and Policy

Tina Hitchen
Chief Financial Officer

1. Purpose of Report

- 1.1 The purpose of this business paper is to present the Confirmation of Engagement – Limited Assurance Report.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on Confirmation of Engagement – Limited Assurance Report be received.
 - 2 The Deloitte Draft Confirmation of Engagement – Limited Independent Assurance Report in respect to the Waitomo District Council's Debenture Trust Deed be accepted as presented.
 - 3 That the Chief Executive be delegated authority to sign on behalf of the Waitomo District Council – The Deloitte Confirmation of Engagement – Limited Independent Assurance Report in respect to the Waitomo District Council's Debenture Trust Deed.

3. Background

- 3.1 The Debenture Trust Deed (DTD) was executed on the 6 August 2010 and replaced a "Deed of Charge" which provided security to Westpac Bank as the sole lender at that time. It was further amended and restated on 10 April 2017 to enable borrowing from the Local Government Funding Agency (LGFA).
- 3.2 Through execution of the DTD, Council has vested a security interest over its present and future rates revenues with the Trustee. The Trustee holds this security for the benefit of Council's secured lenders and enables efficient borrowing from a number of different parties.
- 3.3 Parties lending to Council on a secured basis include the LGFA and Westpac Bank.
- 3.4 Clause 10.2.6 of the DTD determines that at the same time as WDC provides the annual report to the Trustee, WDC must provide a separate report by the auditors addressed to the Trustee which states:
- Whether or not in the performance of auditors' duties they have become aware of any matter which in their opinion is relevant to the exercise of performance of the

powers or duties of the Trustee or in their opinion may require further investigation by the Trustee.

- Whether or not there is anything that is brought to the auditors' attention to indicate the statements made in the reporting certificate are not materially correct.
- Whether or not the register has been duly maintained in accordance with the DTD.
- The amount of stock and principal money owed or secured under the stock at 30 June.

3.5 The limited independent assurance engagement is not an audit and the procedures that will be performed are less than for an audit.

4. Commentary

LIMITED INDEPENDENT ASSURANCE REPORT (IAR)

4.2 The draft letter of confirmation of engagement for the Limited Independent Insurance Report is enclosed as Attachment 1 to this paper.

4.3 The letter sets out the terms and scope of the engagement and includes the specific responsibilities of both the auditor, the Trustee and Council. Also provided is an indicative report, likely to be issued. Due to this work being reliant on the statutory audit process the scope of that work is detailed in the appended engagement letter for the statutory audit. It will be completed as part of the statutory audit but is a separate body of work.

4.4 The engagement timetable provides that the procedures will be completed concurrently with the statutory audit of the annual financial statements and performance information.

4.5 The Trustee has elected to be a party to the Independent Assurance Report.

4.6 The proposed engagement fee is estimated to be \$8,025 excluding GST.

5. Analysis of Options

5.1 The Council needs to consider the engagement letter and has the option of agreeing to it as presented.

5.2 The Council also has the option of proposing further amendments to the limited independent assurance report engagement letter for Deloitte to consider.

6. Considerations

RISK

6.2 If the Council does not consider and decide either to agree to the audit engagement letter or the independent assurance report engagement at this meeting, or proposes changes to either engagement letters, then it runs the risk of non-compliance with legislative requirements around preparation and adoption of the Annual Report and/or potentially being in breach of the Debenture Trust Deed.

CONSISTENCY WITH EXISTING PLANS AND POLICIES

6.4 The engagement letter for the IAR proposal as presented is consistent with the delivery arrangements for the Annual Report.

6.5 **SIGNIFICANCE AND COMMUNITY VIEWS**

6.6 Section 78 of the LGA requires the 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.

6.7 The Annual Report is the key accountability document for our community, and it explains how we have performed for that year. It is an important way of informing our community about how we are progressing in achieving our goals. It also highlights areas we are performing well in and areas that we need to improve on and how we plan to do this.

7. Recommendation

7.1 The Confirmation of Engagement for the Limited Independent Assurance Report be accepted as presented and the Chief Executive be delegated authority to sign the engagement letter on behalf of Waitomo District Council.

8. Attachments/Separate Enclosures

Separate Enclosures:

- 1 Deloitte – Confirmation of Engagement – Limited Independent Assurance Report in respect of the Waitomo District Council's Debenture Trust Deed (A730485)

Document No: A730629

Report To: Council



Meeting Date: 30 July 2024

Subject: **Representation Review**

Type: Decision Required

Author(s): Charmaine Ellery
Manager – Strategy and Policy

Alex Bell
General Manager – Strategy and Environment

1. Purpose of Report

- 1.1 The purpose of this business paper is present to the Council the options available for the Representation Review and to seek Council approval of the consultation material.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on Representation Review be received.
 - 2 Council resolve to consult on option 1, noting that this consultation does not include Māori Wards as Council resolved in 2023 not to establish these. arrangements.
 - 3 Council approve the website content, enclosed as **Attachment 1** for the consultation.

3. Background

- 3.1 Councils must complete a representation review process at least once every six years as set out in the Local Electoral Act 2001 (LEA). All decisions made affect two triennial election cycles (2025 and 2028) and any other elections held in that time (e.g. by-elections).
- 3.2 There are several steps that need to be considered in relevant order, these are:
- a) the council must consider the electoral system (voting method).
 - b) the council must consider Māori representation.
 - c) the council must make detailed decisions about the implementation of representation arrangements (i.e., wards, councillors, community boards etc.).
- 3.3 The first two steps have been completed, so it is only step three that will need to be completed in 2024.
- 3.4 This stage of the representation review looks at representation broadly, and includes:
- the number of councillors to be elected from each ward;
 - whether councillors are elected from wards or 'at large', or a mix of both; and
 - whether there should be community boards.

3.5 Council discussed the representation arrangements at a workshop on 4 June 2024 where after discussion they indicated a preference for remaining with the status-quo.

3.6 Below are the next milestones for this project:

Project milestones	Dates	Process steps (if all are required)
Public notification of Council representation arrangements	1 August 2024	No later than 14 days following Council's resolution. LEA section 19M(1)
Public Consultation	1 August – 1 September 2024	Must be for at least one month following public notification.
Submissions close	Sunday 1 September 2024	LEA section 19M(2)(d)
Hearings	10 September 2024	If required
Council Meeting If no submissions, then proposal becomes final. If submissions, these are considered, and a final proposal is resolved.	24 September 2024	Within 8 weeks of closing date for submissions LEA section 19N(1)(a)
Public notice of Council's final proposal	26 September 2024	Within 8 weeks of closing date for submissions LEA section 19N(1)(b)
Appeals and objections close	26 October 2024	Must be lodged: <ul style="list-style-type: none"> not less than 1 month after the date of the public notice issued under section 19N(1)(b) not later than 3 December in the year before election year LEA section 19O; section 19P
Local Government Commission Hearing	11 December 2024	The Local Government Commission have scheduled the hearing date of 11 December 2024 for the cases where an appeal is lodged against the final proposal and a hearing is required. This date will not be required if no appeals are lodged.

4. Commentary

4.1 Communities of Interest

4.2 According to the LEA, local authorities must provide for 'effective representation of communities of interest' (section 19T and section 19U) and 'fair representation of electors' (section 19V).

4.3 A community of interest is not defined in the legislation, but the Local Government Commission recognise three criteria:

Perceptual: a sense of belonging to a clearly defined area or locality.

Functional: the ability to – with reasonable economy – meet the community's requirements for comprehensive physical and human services.

Political: the ability of the elected body to represent the interests and reconcile the conflicts of all its members.

- 4.4 The perceptual and functional aspects can be extended to define a community of interest as having:
- (a) a sense of community identity and belonging reinforced by:
- distinctive physical and topographical features (e.g., mountains, hills, rivers)
 - similarities in economic or social activities carried out in the area
 - similarities in the demographic, socio-economic and/or ethnic characteristics of the residents of a community
 - a distinct local history of the area resulting in a current perception of community of interest
 - the rohe of local iwi and hapū
- (b) dependence on shared facilities and services in an area, including:
- schools, recreational and cultural facilities; and
 - retail outlets, transport, and communication links.

4.5 The District is made up of many, quite distinct, geographical communities; Council could consider whether these communities are well served by the current system of representation or whether some of the distinct communities (e.g. Piopio, Waitomo, Maniaiti/Benneydale areas) would be better served by specific representation. This could look like introducing community boards or dividing the existing three-member rural ward into three unique wards.

4.6 Wards and community boards are both discussed below.

4.7 **Wards**

4.8 To ensure fair representation, the average resident population of each ward to elected member ratio can be no more or less than 10% different from the total district population divided by the number of members. This means for Waitomo District's population of 9,720, each of the 6 councillors must represent between 1458 and 1782 people.

Ward	Population (2018 census)	Members	Population per member
Te Kūiti Ward	4,620	3	1,540
Waitomo Rural Ward	5,100	3	1,700

- 4.9 If any changes are proposed, the names and boundaries of these wards would need to be determined. There have been no significant population shifts that would necessitate any changes to ward structures.
- 4.10 Elected members can be voted for by wards or can be elected 'at large', or a mixture of the two. This means that the entire district vote for the at-large candidates much like everyone votes for the mayor.
- 4.11 **Community Boards**
- 4.12 All territorial authorities must consider whether community boards would be appropriate to provide fair and effective representation for individuals and communities (LEA section 19J).
- 4.13 According to the Local Government Act 2002 (section 52), the role of a community board is to:
- Represent and act as an advocate for the interests of its community.

- Consider and report on all matters referred to it by the Council, or any matter of interest or concern to the community board.
 - Maintain an overview of services provided by the Council within the community.
 - Prepare an annual submission to the Council for expenditure within the community.
 - Communicate with community organisations and special interest groups within the community.
 - Undertake any other responsibilities that are delegated to it by the Council.
- 4.14 Community boards have their own status in legislation and are not a committee of Council, they cannot set rates, raise funds, enter into contracts, deal in property, pass bylaws or appoint staff.
- 4.15 Elections for community board members take place at the same time as the Council elections. A board must be between 4 - 12 members. It can include both elected and appointed members, but at least 4 members must be elected, and the total number of appointed members must be less than half the total number of members.
- 4.16 Matters for the Council to consider in deciding whether one or more community boards should be established in the district include:
- Would community boards provide effective representation for particular communities if the Council decided to adopt either at-large elections or have larger wards?
 - Should community boards be established to help promote more resilient local communities?
 - Should community boards be established to enable more local decision-making?
 - Do community boards have benefits compared to residents' and community associations?
 - What would be the costs of community boards, in both direct remuneration but also the additional administrative and staffing resources required to support the boards?
 - Would this cost to ratepayers be worth the additional representation?
- 4.17 The direct costs of a community board (wages) are paid for by ratepayers in the community board area, although Council does pay for its own related administrative and servicing costs. The cost to ratepayers would be dependent on the budget for the board and the number of ratepayers sharing the cost. The Remuneration Authority sets the rate at which board members are paid, if the Council wished to delegate some of their responsibilities to the board, they can also redistribute some of the governance pool to board members.
- 4.18 The smaller the population a board serves, the larger the cost usually is per ratepayer. For example Kawhia has a community board for a population of 400 people, each ratepayer pays \$24 per year, this is in comparison to the Ōtorohanga Community Board which serves 2,900 people, the cost per ratepayer is \$12.
- 4.19 Further decisions related to community boards are outlined in section 19J of the LEA related to the makeup of any community boards, this can be considered if required.
- 4.20 **Number of councillors**
- 4.21 The Council may determine to increase the number of councillors elected to the Waitomo District Council.
- 4.22 It should be noted that elected members currently represent only about 1600 people each which is at the lower end of population to member ratios when compared to the rest of the country. Any additional members will be paid out of the existing remuneration pool, so each member would then be paid less than they are currently.
- 4.23 Consideration should also be made of the number of people standing at recent elections, the previous election had four candidates standing for the three urban seats and eight

candidates standing for the three rural seats. More members may reduce people's choice if not enough candidates stand.

4.24 **Māori Wards**

4.25 Council made a decision in 2023 not to introduce Māori Wards, which at the time meant this did not need to be revisited for another six years. It is worth noting that since then, under a new government, the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill has been introduced to Parliament. This bill will reinstate the ability for 5 percent of electors to initiate a referendum on Māori wards, which would mean that a referendum could be demanded in Waitomo which would require this decision to be revisited.

4.26 Council deliberated on Māori Wards on 17 October 2023 and adopted the below resolutions:

Resolution

- 1 The business paper on Deliberations – Māori Representation Review be received.
- 2 Council works with mana whenua through its committee Te Raangai Whakakaupapa Koorero to develop a model of representation that enhances relationships between Council and mana whenua and provides a platform to discuss and advance issues that are of interest to Māori.
- 3 Council does not introduce Māori Wards for the 2025 and 2028 Local Government Elections.
- 4 Council thanks all Submitters to this process for their work and guidance.

4.27 **Consultation**

4.28 During representation reviews, local authorities need to be mindful of the principles set out in LGA section 14, including:

- being aware of, and regarding the views of, all of its communities;
- accounting for the diversity of the community; and
- providing opportunities for Māori to contribute to decision-making processes.

4.29 The statutory consultation requirements for initial and final proposals are based on the special consultative procedure provided for in the LGA. The LEA (Part 1A) sets out requirements for conducting representation reviews, including providing opportunity for the public to make submissions on a local authority's proposals.

4.30 After Council has considered representation and made a proposal regarding representation arrangements, the public will be notified with a consultation period open for one month for submissions. If none are received, the initial proposal will become the final proposal, if submissions are received, this can be amended after hearings (if required) and deliberations.

4.31 Following the adoption of a final proposal, the community are given a further month during which they can appeal the decision taken by Council.

4.32 Attached to this paper is the draft information content for our website and the attached submission form.

5. Analysis of Options

5.1 The following options are available to Council with regard to the Representation Review:

- a) Consult on an initial proposal of status quo, this would include:

- Six councillors and one mayor
- no changes to ward structure (an urban ward and a rural ward)
- no community boards

b) Consult on any alternative arrangement for the initial proposal.

5.2 It is not an option to not consider or consult on this as it is a legislative requirement under the LEA.

6. Considerations

6.1 **RISK**

6.2 There is a risk that members of the community will disagree with the final decision made and will feel that the Council did not adequately consider all views.

6.3 As Elected Members are personally affected by the decisions made (e.g. a decision to have fewer councillors reduces each current member's chance of reelection, increasing the number of councillors reduces each member's pay), there is a risk of perceived bias.

6.4 The LEA outlines the processes and timeframes for this consultation, there is a legislative requirement to follow this. There is a risk these deadlines won't be met if delays are faced.

6.5 To overcome these risks a proper consultation process must be followed with reference to the LEA.

6.6 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

6.7 No decision arising will be inconsistent with Council's plans or policies.

6.8 **SIGNIFICANCE AND COMMUNITY VIEWS**

The views of affected parties will be considered following the public consultation period which is open for one month.

6.9 This decision could be assessed as significant in accordance with WDC's Significance and Engagement Policy. Representation arrangements affect the whole community. As such the community will be consulted with prior to a final decision being made.

7. Attachments/Separate Enclosures

Attachments:

1 Draft website content for public consultation.

Representation Review – 2024 (webpage content)

Every six years councils are required to take a look at their representation arrangements to make sure they are structured to best serve the needs of their communities. The decisions made in this review effect the next two election cycles (there will be a local body election in 2025 and 2028).

For this review, the Council has asked itself the following questions:

- How many elected members should be on council?
- Should we keep our existing urban and rural wards, or should we make changes? If so, how many wards should our District have, what should their boundaries be, and what should they be named?
- Should we do away with wards and have at-large councillors only?
- Should we have a mix of both ward councillors and at-large councillors?
- Should we increase the number of councillors we have?
- Does Waitomo need community boards?

In considering the options, elected members have proposed to stick with the status quo with no changes made to the representation arrangements. This will mean that:

- there will six elected members on Council and one mayor
- members will be elected from one of two wards: urban and rural
- three members will be elected from each ward
- there will be no community boards

What do you think of these arrangements? Do you agree?

Please read the information below before answering our questions in the submission form.

What do elected members do? ∨ (drop down)

Councillors play a vital role in representing and making decisions on behalf of their community and ensuring the effective governance and management of local government.

At Waitomo District Council we have six elected members and one mayor.

The role of a councillor is to:

- represent residents' interests and concerns, and act as a voice for their constituents in council meetings and decision-making processes.
- participate in council meetings where they discuss, debate, and make decisions on various issues affecting the local community.

- set policies and strategic plans for the development and management of the District.
- decide how to meet current and future needs for infrastructure and public services.
- engage with the local community to understand their needs, gather feedback, and advocate for initiatives that benefit residents.
- attend community events, holding public meetings, and responding to inquiries and concerns from constituents.
- provide oversight of council operations.
- advocate for their local area's interests at regional and national levels, working with other councils, government agencies, and community organisations to address broader issues affecting their community, such as infrastructure development, environmental protection, and social services.
- participate in the budgeting process, where they allocate funds to various services and projects based on community needs and priorities. They also monitor financial performance and ensure responsible fiscal management of council resources.

As well as carry out many of the same functions as councillors, Mayors also:

- serve as the head of the council; providing leadership, representing the council and acting as spokesperson.
- chair council meetings, ensuring that business is conducted efficiently and according to standing orders (rules of council).
- often represent the council at community events and build relationships with key stakeholders.
- work closely with councillors, council staff, and external stakeholders to identify opportunities and address challenges facing the community.
- represent their district in regional and national forums, building relationships with other local government leaders, government agencies, businesses, community organizations, and the public.
- may take on a role in an emergency event, communicating with the public and making decisions about the safety and wellbeing of residents.

Māori wards [▼] (drop down)

Last year, Council made the decision to not introduce Māori wards. This means the decision on whether to have Māori wards is not part of the discussion now.

Everyone, whether on the Māori roll or the general roll, will vote for their local ward councillors.

Community boards [▼]

Some councils have community boards to represent smaller geographic areas to ensure those voices are heard. Community boards have some powers and functions delegated to them by their council and exist to represent and act in the best interest of their community. They engage with local organisations and special interest groups and submit on council policies and decisions.

Waitomo does not currently have any community boards, in this review we can consider whether it would be appropriate to introduce any, and if so, for which locations and how many members should sit on each board.

To find out more about what community boards, visit the [Local Government in New Zealand website here.](#)

Communities of interest ▼

Councils must provide effective representation of communities of interest and fairly represent their populations. A community of interest can be thought of in three ways:

Perceptual: a sense of belonging to a clearly defined area or locality

Functional: the ability to – with reasonable economy – meet the community’s requirements for comprehensive physical and human services

Political: the ability of the elected body to represent the interests and reconcile the conflicts of all its members.

We need to consider whether our current ward structure is fairly representative of our communities of interest. That is, is it still relevant to divide the district into a rural and an urban ward, or is there a better way to recognise any more distinct communities?

Ward councillors vs councillors at large vs mixed systems ▼

Most local council areas are divided into wards, with each ward electing a certain number of councillors to represent them. Some councils have no wards, and councillors are elected ‘at-large’, meaning voters across the district elect them regardless of where the voter lives. In Waitomo we have two wards (rural and urban) both represent about the same proportion of the community, so each have three councillors.

Wards

A ward based system for electing councillors:

- means representation is more likely to be spread across the district, although members do not have to live in the area they represent.
- helps residents make an informed choice about who they vote for because there are fewer candidates for them to choose from and fewer votes for them to cast.
- councillors having a connection to a particular ward may help with accountability and their advocacy for that area. Residents also may feel more comfortable approaching their local councillor.
- reduces councillors need to travel across the district to attend all meetings and events, they can focus instead on a smaller area that they represent.

At-large

The “at-large” option:

- gives residents a larger choice of candidates to vote for rather than just those within their area.
- can be seen to remove a risk or perception of councillors favouring their ward in deliberations rather than making decisions in the best interest of the entire district.
- easier for at-large councillors to take a district wide perspective.
- could achieve more diverse representation. Minority groups spread across a district could have a greater chance of being elected in at at-large system.

A mixed system

A mixed system where some councillors are elected to represent wards, and some are elected at-large:

- can provide more balance between district wide interests and local concerns.
- residents can vote for their ward councillors as well as any at-large candidates.
- still provides specific, ward level, representation.

Wards in Waitomo ▼

Waitomo District has an urban and a rural ward. See the map below

[ward map]

The number of councillors ▼

The Waitomo district currently has six councillors and one mayor. This has been higher in the past but over time decisions were made have a smaller number around the table.

There is a range across the country on the number of councillors at each council and how many people they represent. In Waitomo our 6 councillors represent about 1,600 people each, compared to Auckland's 20 councillors each representing about 85,000 people. Close by in Ōtorohanga, their 9 members represent 1,200 people each, in Waipā, 11 councillors represent 5,500 people each. No council in New Zealand has fewer than 6 elected members.

Councillors are paid from a pool of money from the Remuneration Authority, so any changes in the number of councillors will make no difference to the overall amount Waitomo District Council receives and will have no impact on rates. It will just change the amount that each councillor receives from the pool.

Benefits of more councillors

- Increasing the number of councillors gives more choice to residents on who they can vote for to represent them.
- More likely to result in greater diversity around the council table and more diverse experiences and perspectives.

Benefits of a smaller council (six members)

- A smaller council allows for more discussion around the table as there is more chance for everyone to speak.
- Each councillor receives a larger remuneration, which makes the role more attractive and encourages applicants. More councillors does not reduce the work load but each councillor will be paid less.
- Already, few people stand for election, having more councillors may make it harder to have enough candidates to fill the seats which reduces the democratic choice for voters and may result in having too few candidates stand.

To consider

Regardless of how they were elected or which ward they represent, all councillors make the same declaration to act in the best interests of the whole district. There are no differences in the decision

making role between members elected at-large and those elected by a ward. They do however continue to represent the areas they are elected from at the council table.

Under a ward system, a resident can ask any councillor for help, they are not limited to only their local ward councillor.

Submission Form

*Name

Address

*Contact email

Phone number

*I wish to speak to Council about my submission – Y/N (Hearings will be held on 10 September 2024. If you tick yes, you will be contacted to arrange a time)

*Do you agree with the Council’s proposal to keep the current representation arrangements? Y / N

Any comments?

If you disagree, please answer the below questions:

Do you think we should elect councillors by ward or at large? Or a mix of both?

Elect councillors by ward

Elect councillors at-large

Elect a mix of ward and at-large councillors

Should we keep our current rural and urban wards or make some changes? If so, what?

How many Councillors do you think we should have?

Do you think we should have any community boards? If yes, where?

Is there anything else council should consider when making this decision?

Document No:

Report To: Council



Meeting Date: 30 July 2024

Subject: **2023/2024 Annual Report on Waitomo District Council Dog Control Policy and Practices**

Type: Decision Required

Author(s): Michelle Clark
Team Leader – Monitoring and Enforcement

Alex Bell
General Manager – Strategy and Environment

1. Purpose of Report

- 1.1 The purpose of this business paper is to present to Council for consideration and adoption the Waitomo District Council Dog Control Policy and Practices Report 2023/2024 (“the Report”).

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
1. The business paper on Annual Report on Waitomo District Council Dog Control Policy and Practices’ be received.
 2. Council adopt the Report on Waitomo District Council Dog Control Policy and Practices 2023/2024 (Doc A731288).

3. Background

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

4. Commentary

- 4.1 Section 10A of the Act specifies the information that Council must include in its report in respect of each financial year as follows:
- (a) *the number of registered dogs in the territorial authority district:*
 - (b) *the number of probationary owners and disqualified owners in the territorial authority district:*
 - (c) *the number of dogs in the territorial authority district classified as dangerous under section 31 and the relevant provision under which the classification is made:*
 - (d) *the number of dogs in the territorial authority district classified as menacing under section 33A or section 33C and the relevant provision under which the classification is made:*
 - (e) *the number of infringement notices issued by the territorial authority:*
 - (f) *the number of dog related complaints received by the territorial authority in the previous year and the nature of those complaints:*

(g) *the number of prosecutions taken by the territorial authority under this Act.*"

- 4.2 The Report addresses all the matters required by the Act.
- 4.3 Section 10A also specifies that Council must publically notify the Report within one month of adopting the report, publish the report online, and send a copy of it to the Secretary for Local Government.

5. Considerations

5.1 Risk

- 5.2 There is no risk to Council in adopting this report.

5.3 Significance and Community Views

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

6 Recommendation

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

7 Attachments

Attachment:

1. Report on Waitomo District Council Dog Control Policy and Practices 2023/2024 (Doc A731288)

**REPORT ON
WAITOMO DISTRICT COUNCIL DOG CONTROL POLICY AND PRACTICES
2023/2024**

TO: The Secretary for Local Government
FROM: Executive Assistant – Strategy and Environment
SUBJECT: Report on Waitomo District Council Dog Control Policy and Practices – 2023/2024
DATE: 23 July 2024

1 INTRODUCTION

This is Waitomo District Council's (WDC) annual report on Dog Control Policy and Practices for the period 1 July 2023 to 30 June 2024, as required by section 10A of the Dog Control Act 1996 (the Act).

2 DOG CONTROL POLICY AND PRACTICES

2.1 Dog Control in the District

The total number of active dogs on WDC's Register at the end of the 2023/2024 registration year was 3,816 an increase of 498 dogs from 2022/2023.

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

WDC also maintains good working relationships with the local Police, veterinarians, and the Waikato SPCA, Waipa District Council and Pound Hounds.

WDC employs one full time ACO, a Pound Officer, a Compliance Administrator and a Team Leader – Monitoring and Enforcement who has oversight over the ACO function and management of the pound.

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

WDC operates a Dog Pound in William Street, Te Kuiti. The Pound equipment is updated on an as needed basis. Considerable improvements have been made to the Dog Pound in recent years to improve health and safety.

This year, there was a decrease in the number of dogs impounded from the previous year. 150 dogs were impounded (153 in 2022/2023), with 66 dogs returned to their owner, 47 dogs euthanized, 33 re-homed, 1 remains alive at the Pound for rehoming, 1 surrendered to the SPCA and 2 stolen from the Pound.

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

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

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

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

2.2 Dog Control Enforcement Practices

For this period, WDC received 459 dog control related complaints (372 in 2022/2023) that required action.

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

Complaints relating to wandering dogs numbered 242 this year (205 in 2022/2023). In addition, 82 complaints were received in relation to barking dogs (62 in 2022/2023), and 50 complaints were received for rushing/aggression (16 in 2022/2023). WDC works with complainants to identify and capture wandering dogs, sometimes using WDC owned cage traps if required.

In respect of barking complaints, most are resolved quickly once the owner is advised of the issue and has been provided advice on methods to resolve the issue. Where the issue is not resolved within a timely manner, an Abatement Notice is issued (as provided by the Act) and this has proven to be a useful tool in these circumstances. WDC issued no barking Abatement Notices in this period.

WDC received 28 complaints related to attacks, rushing and/or aggressive dog incidents (37 in 2022/2023). Each incident is investigated, and a report completed (including an attack rating assessment). Upon completion of the investigation and reporting, a decision is made (and recorded) as to what action is appropriate as per the requirements of the Act. Each incident is assessed on its merits on a case-by-case basis.

For this period, 67 (50 in 2022/2023) Infringement Notices have been issued and have since either been paid by the Dog Owner or sent to the Court.

The Infringement Notices were issued as follows:

- One for wilful obstruction of officer
- One for failure/refusal to supply info
- Eight for failure to comply with bylaw
- Two for failure to comply with effects of the class
- 46 for breach of section 42 (failure to register dog);
- Five for breach of section 52A (failure to keep dog controlled or confined)

- Four for breach of section 53(1) (failure to keep dog under control); and

2.3 Dogs Prohibited, Leash Only and Dog Exercise Areas

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

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

2.4 Dog Registration and Other Fees

Dog registration fees have been updated for the 2024/2025 financial year.

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

2.5 Education

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

2.6 Disqualified and Probationary Dog Owners

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

2.7 Menacing and Dangerous Dogs

For this period, there are two dangerous dogs and 15 menacing dogs classified in the district out of a population of 3,816 dogs. Any new dog of a menacing breed/type is identified following registration, classified and referred for a compliance check.

In April 2017, WDC received funding from the Department of Internal Affairs (DIA) to run a Menacing Dog Campaign for the neutering of menacing dogs. As at 1 June 2023, 30 dogs have been neutered under this campaign (since the commencement in May 2017).

2.8 Other Information

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

3 STATISTICAL INFORMATION

Category	For period 1 July 2020 – 30 June 2021	For period 1 July 2021 – 30 June 2022	For period 1 July 2022 – 30 June 2023	For period 1 July 2023 – 30 June 2024
Total number of Registered Dogs	3,363	3,311	3,318	3,816
Total number of Probationary Owners	0	0	0	0
Total number of Disqualified Owners	3	3	2	2
Total number of Dangerous Dogs	2	2	2	2
▪ Dangerous by Owner Conviction Under s31(1)(a)	0			
▪ Dangerous by Sworn Evidence s31(1)(b)	0			
▪ Dangerous by Owner Admittance in Writing s31(1)(c)	2	2	2	2
Total number of Menacing Dogs	27	27	25	15
▪ Menacing under s33A(1)(b)(i) - i.e. by Behaviour	6	10	11	2
▪ Menacing under s33A(1)(b)(ii) - by Breed Characteristics	5	3	3	0
▪ Menacing under s33C(1) by Schedule 4 Breed	16	14	11	13
Total number of Infringement Notices (excluding cancelled)	31	62	22	0
Total number of prosecutions	2	1	0	0
Complaints received:				
▪ Aggressive	9	13	16	50
▪ Bins/Signs	0	0	0	0
▪ Bite/attack	29	30	37	28
▪ Barking	68	63	62	82
▪ Breach of Council Bylaw or permits	5	0	2	0
▪ Lost Dog/other	21	22	38	47
▪ Rushing in public place	8	0	0	0
▪ Unregistered	2	2	8	4
▪ Wandering	163	120	205	242
▪ Worrying animals	3	0	0	0
▪ No water, shelter, food or exercise	11	3	6	6
Total Complaints Received	319	253	374	459

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

Document No: A728286

Report To: Council



Meeting Date: 30 July 2024

Subject: **Community and Partnerships Bi-Monthly Activity Update Report**

Type: Information Only

Author(s): Helen Beever
General Manager – Community Services

1. Purpose of Report

- 1.1 The purpose of this business paper is to update Council on activities that form part of the Community and Partnerships Group.
- 1.2 The business paper also provides an update on a range of Council recreation services and activities

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
 1. The business paper on Community and Partnerships Reporting be received.

3. Background

- 3.1 At its meeting of 28 February 2023, Council adopted a new reporting framework detailing bi-monthly financial reporting and Council group activity reporting.
- 3.2 A reporting schedule was agreed, with Infrastructure and Community reporting on the same bi-monthly agenda.
- 3.3 The Community and Partnerships report incorporates commentary on its activities.

4. Commentary

4.1 COMMUNITY SUPPORT AND DEVELOPMENT

- 4.2 The Community Support and Development group of activities incorporates Safe Communities, Community Grants, Youth Engagement and Events.

4.3 **CURRENT ACTIVITY**

4.4 TIME CAPSULE OPENING

- 4.5 The first Time Capsule within the Shearing Statue was opened on Friday 24 May 2024, after being sealed for 30 years.
- 4.6 As part of the event, the history of the Shearing Statue was documented, and a video was released providing a narrative of the story. The video was well-received by the community.

- 4.7 The opening of the Shearing Statue, along with the presentation of the Time Capsule contents, was well-attended by the community with many individuals returning to Te Kuiti for the occasion.
- 4.8 **MATARIKI EVENT**
- 4.9 A Dawn Service took place on Saturday 22 June 2024 at Centennial Park. The ceremony commenced at sunrise, where community members came together to reflect. Following the service, attendees enjoyed a community BBQ.
- 4.10 **WAITOMO FUNDING WORKSHOP**
- 4.11 On 24 June 2024 the Waitomo Funding Expo was held at the Les Munro Centre.
- 4.12 The Expo featured representatives from 11 funding organisations, providing the opportunity for attendees to network and engage directly with potential funders during the “Meet the Funders” session. This session was designed to foster connections and facilitate conversations between community groups and funders.
- 4.13 The Workshop “Funding Tips for Community Organisations” facilitated by Community Waikato, was well received. Participants gained insights into preparing a compelling funding application and understanding the key requirements for successful funding proposals.
- 4.14 Overall, the Funding Expo served as a valuable resource for community organisations seeking to secure funding.
- 4.15 **RISKS AND OPPORTUNITIES**
- 4.16 There are no immediate identified risks with this activity.
- 4.17 **LOOKING FORWARD – THE NEXT 3 MONTHS**
- 4.18 Vibrant Waitomo Action Plan 2024/2025.
- 4.19 Assessment of applications to the Multi-Year Community Partnership Grant and DC Tynan Trust.
- 4.20 Commence development of a Youth Plan.
- 4.21 **DISTRICT PROMOTION/DEVELOPMENT**
- 4.22 The District Promotion / Development group of activities incorporates Economic Development, District Promotion and Sister City.
- 4.23 **CURRENT ACTIVITY**
- 4.24 **HOUSING TASKFORCE**
- 4.25 The Waitomo Housing Taskforce met on 5 July 2024, to continue the partnership towards supporting the Waitomo Housing Strategy Action Plan.
- 4.26 Attendees provided updates from their respective organisations and potential opportunities for development and/or housing improvements were discussed.
- 4.27 The Housing Taskforce will meet quarterly with the next meeting scheduled for 1 November 2024.
- 4.28 Kainga Ora conducted a ‘Breaking Ground’ morning ceremony on 8 July 2024 for their Lawrence Street development. They indicated that there was no certainty around government funding for new social housing after those that can be completed by June 2025.

4.29 RISKS AND OPPORTUNITIES

4.30 There are no immediate identified risks with this activity.

4.31 LOOKING FORWARD – THE NEXT 3 MONTHS

4.32 Tech Step Event to be held on 7 August 2024 at the Les Munro Centre with eight exhibitors attending. Students will be given the opportunity to explore the possibilities of entering a career pathway in the technology industry.

4.33 CUSTOMER SERVICES AND LIBRARY**4.34 CURRENT ACTIVITY****4.35 RATES REBATE**

4.36 Residents who received a Rates Rebate in the 2023/2024 rating year have been sent an application for the 2024/2025 rating year.

4.37 In addition to social media and internal advertising, staff have reached out to local support groups and businesses to raise awareness of the scheme as it may complement the services they offer.

4.38 The intention is to take a more proactive approach within the community and target community groups and locations to increase awareness and uptake of the Rates Rebate Scheme.

4.39 DOG REGISTRATIONS

4.40 Positive feedback is being received daily with the uptake of the new gold card and sixth dog free registration fees.

4.41 WAITOMO DISTRICT LIBRARY

4.42 During week one of the school holidays a makey makey workshop was held with 24 children attending. Participants learned about circuits while creating their own guitars, pianos (made from bananas, spoons, and other conductive objects), and gaming consoles out of playdough. Participants were able to use the makey makey and a computer to create their own music with their instruments and play arcade-style games with playdough controllers. The feedback from the children and parents was all very positive.

4.43 A clock making session was held during week two of the holidays with 24 participants making their own working clocks using recycled books and records. Again, positive feedback was received from those who participated and those who were just visiting the library at the time.

4.44 Alongside the school holiday events, a reading competition was held with children reading one book over the month of July, writing a small sentence about it, drawing a picture relating to the book and going in the draw to win a board game. Staff hope this will entice more children to enter as its not as overwhelming as previous reading programs that have been run.

4.45 Staff have been leaving a jigsaw puzzle for the community to work on in the public area during the winter months. Three puzzles have been completed thus far. Adults have found this to be incredibly popular, spending hours speaking with other puzzle enthusiasts as they cooperate to achieve a common objective. A fourth puzzle is due to be released. This has also helped promote the library jigsaw puzzle collection.

4.46 RISKS AND OPPORTUNITIES

4.47 There are no immediate identified risks with this activity.

4.48 **LOOKING FORWARD – THE NEXT 3 MONTHS**

4.49 Staff are looking into options to enhance access for children to borrow materials at the library.

4.50 Currently parents/guardians must complete an online form and assume responsibility for the membership until the age of 18. This is not always possible with parental time commitments etc. In the future, staff hope to provide a restricted membership that children can use without parental assistance. Staff believe that by allowing children to use the library but limiting the collections they can borrow from, and only allowing them to borrow one or two items at a time, will make them feel more included and help begin their future relationship with the library. This practice is in place at other libraries throughout New Zealand.

4.51 The library has registered to attend the Te Kuiti Tech Step Careers Expo in August. This will be a great opportunity to showcase some of the technologies available at the library. Staff plan to take a few items from the creation station and have them set up on the day for students to interact with. Staff are looking forward to engaging with local youth (a demographic that is rarely seen in the public library).

4.52 **COUNCIL RECREATION SERVICES**

4.53 Council Recreation Services incorporates the Waitomo Aquatic Centre and Gallagher Recreation Centre.

4.54 **CURRENT ACTIVITY**

4.55 GALLAGHER RECREATION CENTRE (GRC)

4.56 As of 16 July 2024, membership numbers were 399.

4.57 GRC trialled a small school holiday programme during the July holidays, with a positive response received. GRC staff will be investigating further options for the next school holiday period.

4.58 Term 3 will be a busy time for evening sports at GRC. Miniball is scheduled to commence in August with a large number of participants expected.

4.59 Court bookings for both courts are in place for Term 3:

- Monday evenings – Futsal.
- Tuesday and Friday evenings – secondary school basketball competition (sub-regional with clubs from Waitomo, Cambridge, Te Awamutu, Otorohanga and Hamilton attending).
- Wednesday and Thursday evenings – Miniball.

4.60 Netball finals (local competition) for all senior grades will be held at GRC on Saturday 3 August 2024.

4.61 **RISKS AND OPPORTUNITIES**

4.62 There are no immediate identified risks with this activity.

4.63 **HUMAN RESOURCES**

4.64 The recruitment process is underway for the following positions, which remain vacant:

- Rooding Engineer
- Three Waters Engineer
- Customer Support Advisor

- 4.65 The implementation of ELMO (Human Resources Information System) has commenced. Modules include Core HR, Onboarding, Learning and Performance. ELMO will also be integrated with WDC's payroll system DataPay.
- 4.66 The implementation of ELMO will ensure the effective management of staff throughout their employment lifecycle and improved processes and efficiencies. The integration with DataPay will also streamline processes and create a single source of truth.
- 4.67 **INFORMATION MANAGEMENT**
- 4.68 The migration to MagiQ Docs is progressing smoothly, with User Acceptance Testing (UAT) successfully concluded with minimal issues. A Go-Live date of 12 August 2024 has been scheduled.
- 4.69 Following completion of the MagiQ Docs migration, the property file project will commence. This initiative will adhere to best practices outlined by the Association of Local Government Information Management (ALGIM) and Archives New Zealand.

Document No: A728607

Report To: Council



Meeting Date: 30 July 2024

Subject: **Infrastructure Services Group Bi-Monthly Activity Update Report**

Type: Information Only

Author(s): Shyamal Ram
General Manager – Infrastructure Services

1. Purpose of Report

- 1.1 The purpose of this business paper is to update Council on the activities that form part of the Infrastructure Services Group.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.

- 1 The business paper on Infrastructure Services Group Bi-Monthly Activity Update Report be received.

3. Background

- 3.1 At its meeting on 28 February 2023, Council adopted a new reporting framework detailing bi-monthly financial reporting and Council group activity reporting.

- 3.2 A reporting schedule was agreed, with Infrastructure and Community reporting on the same bi-monthly Agenda, and Business Support and Leadership / Governance and Regulatory reporting on the other month.

- 3.3 The Infrastructure Services report provides commentary on activities and operational projects covering three waters, roading, waste management, housing, and other property.

- 3.4 The report provides relatively high-level detail and will provide commentary on significant, not 'business as usual' matters.

- 3.5 Each sub-group will cover the following:

1. **Current Activity** - This narrative will cover operational projects, any further narrative on Capex projects not covered in the bi-monthly financial report, issues, and operational topics in these activities.
2. **Risks and Opportunities** that are important to note.
3. **Looking Forward** - What is happening in the next 1-3 months to give a picture of what is coming up.

- 3.6 Council in the last financial year (FY23/24) has delivered the largest ever Capex programme. While the claims are still being processed, early indications are that close to \$19m worth of capital works have been delivered.

4. Commentary

4.1 ROADS AND FOOTPATHS

4.2 The Roads and Footpaths group of activities incorporates maintenance and renewal of the road surface, pavement, footpaths and other roading assets such as bridges and structures.

4.3 CURRENT ACTIVITY

4.4 The 2022/23/24 Footpaths and Associated Works Contract has been completed. There was some remedial works outstanding which have now been completed. Practical completion is due and the final close out requirements are being undertaken.

4.5 The Structural Component Renewals Contract that was awarded to MaxBuild is now completed. A final walkover has identified some minor issues which will be rectified in July before practical completion will be granted.

4.6 The Interim Speed Management Plan was consulted on and adopted by Council at the 28 November 2023 Council meeting. The Plan was then submitted to the Director of Land Transport for review and approval. This has now been approved and will move into the implementation phase with further funding being made available in the next LTP roading budgets. Central Government is currently consulting on Speed Management changes. We may need to wait for the outcome of this review as well as how other councils implement their Speed Management Plan. Our plan generally aligns with what was approved except for areas like Oparure Road.

4.7 Pavement Rehabilitation sites for 2022/23 are completed including the Taharoa Road Flooding section. The 23/24 site (Te Anga Road) was also completed and sealed in late April. Practical completion has been granted.

4.8 The resealing programme was completed in April, with the last site on Rora Street completed under night works.

4.9 CYCLONE RECOVERY

4.10 In February 2022, July-August 2022, January 2023, and September 2023 the region was struck by severe adverse weather. The initial response works have been completed, and repair works are now well underway with some significant contracts.

4.11 Mangatoa Road Sites have now been completed and all four sites were sealed by March. Cambridge Excavators Limited have been awarded further work under this contract including sites on Taharoa, Fullerton and Oparure Roads with works that were similar to the original contract works.

4.12 These additional works are ongoing and will be completed from July through to August. These works include road realignment at Taharoa Road, road reconstruction with additional drainage upgrades at Fullerton Road and a timber pole retaining wall at Oparure Road.

4.13 The retaining walls at Fullerton and Mairoa Roads are now completed. Practical completion has been granted.

4.14 Further damage to the roading network was incurred during the Auckland Anniversary 2023 storm event. The initial clean up works were funded at 100% through Waka Kotahi. Design and investigations for these sites will have commenced and physical works will happen later in the new financial year.

4.15 Mangarino Road was damaged during the storm event on 24 September 2023 to the point of a full road closure being put in place. Works are well underway through June with the bulk earth works nearing completion. Works will continue through to early September.

4.16 CONTRACT RENEWAL/EXTENSION

4.17 The Roads Maintenance and Reseals Contract has now been awarded to Inframax. The new contract officially commences on 1 July.

4.18 OTHER ACTIVITIES

- 4.19 A draft Roads and Footpaths Activity Management Plan (AMP) was developed to provide a high-level plan for the next 10 years. The AMP incorporates details from the next National Land Transport Program (NLTP). This gives an indication to Waka Kotahi of what funding will be required in the near and distant future.
- 4.20 The AMP has been submitted to NZTA for approval in August 2023. The maintenance, renewals and operations budgets have now been confirmed by both NZTA and WDC.
- 4.21 The Piopio Carpark Project funded from Better-off Funding (BOF) commenced on 27 October 2023. The project was completed on 18 June 2024, with all signs, landscaping and cycle racks in place.
- 4.22 Two sites in Benneydale that were also part of the BOF Projects are the Benneydale Hall Carpark, and the widening of the State Highway opposite the dairy. Both these sites are now complete and handed over to NZTA.
- 4.23 The BOF Walkway Project involves upgrading/creating a path along the Mangokewa River between Lawrence Street and Te Kumi Side Road. The walkway part of the project has reached completion, and all remedial works will be carried out. An associated project involving upgrading the track to the Mangaokewa Reserve is currently being scoped and is scheduled to be completed in this new financial year. Other components of this project include a storyboard and sign installation along the track from Brook Park to the Mangaokewa Reserve, which is in progress.

4.24 **RISKS AND OPPORTUNITIES**

- 4.25 Indications are, there is an increasing likelihood of more regular and more intense weather events which will affect the region going forward. These types of events interrupt scheduled work programmes and potentially push jobs into the next financial year.
- 4.26 There is a current downturn in the construction market which is resulting in strong tender returns and competitive pricing.
- 4.27 Due to limited funding for year three, the resurfacing KPI will not be met. The current KPI is to reseal 34.5km of the network, but the forecast based on the available budget will be 21.1km which is 4.6% of the total sealed network. This has been reduced due to the Rora Street asphalt site being added which has a much higher cost compared to rural chip sealing. This budget may further be affected by any drainage upgrade works.

4.28 **LOOKING FORWARD – THE NEXT 3 MONTHS**

- 4.29 As the financial year comes to a close the focus now switches to the new cycle of funding and subsequent projects.
- 4.30 Cyclone recovery emergency works are ongoing (multiple weather events).
- 4.31 Implementation of the new maintenance contract.
- 4.32 The Regional Infrastructure Technical Specifications (RITS) are getting updated and Council staff are providing input.

4.33 **THREE WATERS**

- 4.34 The Three Waters group of activities includes drinking water, wastewater, stormwater, and management of treatment plants and the reticulation network. This section will also cover a summary of transition activities relating to the three waters reform.

4.35 **THREE WATERS REFORM**

- 4.36 The Mayor and the Chief Executive are in discussions with other Waikato councils to look for collaboration and aggregation opportunities.

4.37 CURRENT ACTIVITY**4.38 DRINKING WATER**

4.39 Water Resilience Project: We have completed Stage 1 of the evaluation process and have short-listed two contractors, who would both be classified as Tier One contractors. This is a design and build contract, so there needs to be a comprehensive review of the specifications, as this document details our requirements that the contractor needs to meet in their design. Negotiations are continuing with the landowners. There is a risk that the easements and land purchase process could stop/delay the overall project.

4.40 On the evening of 16 May 2024, the Water Treatment Plant in Te Kuiti stopped operating for a couple of hours. Staff and contractors worked throughout the night to get it back in service before the morning peak. An email with the findings was sent to the Elected Members.

4.41 We have received approval (Location Compliance Certificates) from WorkSafe NZ to continue storing chemicals at Te Kuiti Water Treatment Plant.

4.42 WASTEWATER

4.43 Sludge Removal: Procurement documents are currently being drafted to engage contractors to dewater and dispose of sludge from the Te Kuiti Wastewater Treatment Plant ponds. Early indications are that this could be done using geobags or mechanical drying. There is a correlation between this project and the future of the Landfill.

4.44 Staff have completed the design of the new wastewater pipeline for the eastern end of Hospital Road to alleviate any wet weather overflow risks. This will be included in the renewals contract and delivered in the new financial year.

4.45 We have received approval (Location Compliance Certificates) from WorkSafe NZ to continue storing chemicals at Te Kuiti Wastewater Treatment Plant.

4.46 STORMWATER

4.47 Inspections of the critical stormwater reticulation network, such as open channels, wingwalls and screens will continue to be monitored before, during, and after heavy rainfall events. Remedial work before any forecast heavy rainfall will be implemented as soon as possible by the Council's maintenance contractor.

4.48 Installation work of flood level sensors on open channels in Ngatai and Butler Streets, SH3 (next to 25 Te Kumi Rd) and behind the old PlaceMakers building is ongoing. These level sensors will provide real time water level monitoring inside the open channels so we can attend promptly when water is at a critical level.

4.49 Procurement of stormwater modelling work in Te Kuiti is ongoing.

4.50 The project on short-term measures to alleviate the flooding issue in Te Kuiti has been completed. Additional critical sites will be identified and completed in the new financial year.

4.51 Work to connect eight property service laterals to the newly installed stormwater line on Edward Street, Te Kuiti was completed in June 2024. This additional work will allow rainfall from properties to flow through their downpipes directly to the stormwater pipe network, to help alleviate the risk of water flooding their homes.

4.52 Work continues with the stormwater medium term plans. This includes attenuation ponds. The first site that is being considered is at the back of Hill Street properties and the second is on the Ward Street Reserve. The majority of the property owners have been met with, and design work will commence once a designer has been appointed. Once the design has been completed, easements or purchasing of land will be discussed with the property owners. The first two ponds aim to minimise flooding on Ward, Ngatai and Duke Streets.

4.53 RISKS AND OPPORTUNITIES

- 4.54 It is predicted that there will be an increased likelihood of stormwater flooding in Te Kuiti and other local towns due to the predicted increase in frequency and severity of storm events in the future.
- 4.55 Improvements to Mokau raw water supply catchment by preventing stock from accessing source water (2 x top dams) will minimise any contamination risks.
- 4.56 Two of our Treatment Technicians received their NZQA Level 4 Water Certification.
- 4.57 **LOOKING FORWARD – THE NEXT 3 MONTHS**
- 4.58 Work is still progressing to inspect and service all (199) domestic sewer pumps for each property in the Piopio township. So far, 36 properties have been serviced and returned to normal operations. This is unbudgeted but must be undertaken for operational and resource consent reasons.
- 4.59 Work will continue in Te Kuiti and Mokau for the inspections and servicing of all water network fire hydrants.
- 4.60 The Three Waters pipeline renewals programme for the next two to three years is currently being finalised. Once all the sites have been identified, the services can then be procured.
- 4.61 The Benneydale Wastewater Treatment Plant consent is due for renewal in mid-2025. From July, the stakeholders and the Benneydale community will be receiving more information on this and given an opportunity to engage with us before an application is submitted to the Waikato Regional Council.
- 4.62 **WASTE MANAGEMENT**
- 4.63 The Waste Management activity incorporates Landfill, Kerbside Collections and Transfer Station operations.
- 4.64 **CURRENT ACTIVITY**
- 4.65 The Waitomo District's new kerbside collection schedule began on July 1, 2024. We have not received any service requests related to this change.
- 4.66 Residents of Te Mahoe Road voted to remove kerbside collection from that road. Effective 1 July 2024, this service has been ceased and is reflected in their rates.
- 4.67 The feasibility study for kerbside organics collection is currently in progress and is scheduled for completion by August 2024.
- 4.68 There have been exceedances in landfill stormwater and groundwater monitoring readings over the past months. The cause of these exceedances is unknown, and an investigation is underway.
- 4.69 WSP has been tasked with preparing a Landfill Expert Report for the exceedances in stormwater and ring drain readings, as required for consent compliance by Waikato Regional Council (WRC).
- 4.70 Projects for new cell development, high wall stabilisation, and gas flaring at the Landfill are temporarily suspended while alternative options are considered, including exploring options for sludge disposal.
- 4.71 **RISKS AND OPPORTUNITIES**
- 4.72 The risk for this quarter arises if the causes of the exceedances in the Landfill stormwater and underground monitoring are not identified or resolved, leading to the possibility of Waitomo District Council receiving an environmental notice from WRC.
- 4.73 There is a medium-term risk that the current Landfill cell will be full before a solution for the future of the Landfill is identified and implemented. Contingency plans are currently being developed.

4.74 LOOKING FORWARD – THE NEXT 3 MONTHS

4.75 We are looking forward to the various Waste Management and Minimisation Plan projects which will be implemented by our Waste Minimisation Officer.

4.76 We will be assessing software packages for upgrades to the Landfill kiosk weighbridge.

4.77 PROPERTY AND FACILITIES

4.78 The Property and Other Facilities activity covers:

- Parks and Reserves
- Public Amenities
- Residential and Elder Housing
- Library
- i-Site
- Railway and Administration Buildings
- Aerodrome
- Holiday Parks

4.79 CURRENT ACTIVITY

4.80 Council staff are currently finalising the procedures for the demolishing of the old schoolhouse in Marokopa, scheduled to begin in late July.

4.81 Council staff are reviewing all Council leases to capture relevant details (commencement dates, termination dates, rental review dates) with the intention of developing a diary system to proactively address lease requirements and general monitoring of Council's obligations as landlords under all leases.

4.82 The Waitomo District Council's Parks and Facilities Asset Management Plans are nearing completion.

4.83 RISK AND OPPORTUNITIES

4.84 The risk for this period is that the demolition is not completed within the time frame.

4.85 LOOKING FORWARD – THE NEXT 3 MONTHS

4.86 An evaluation of all quarry fencing and signage will be conducted over the next three months, aiming to repair or replace the fences to ensure safety.

Document No: A731311

Report To: Council

Meeting Date: 30 July 2024

Subject: **Motion to Exclude the Public**

Type: Decision Required

Author(s): Michelle Higgle
Manager – Governance Support

1. Purpose of Report

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

Note: It is Council's choice whether to consider any of the business listed below in the public or public excluded portion of the meeting.

2. Suggested Resolutions

2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
Resident Survey 2024	Section 7(2)(a) - To protect the privacy of natural persons, including that of deceased natural persons	Section 48(1)(a)(1)
Centennial Park	Section 7(2)(c)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a)(1)
Les Munro Centre	Section 7(2)(c)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a)(1)

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
Update on Te Kuiti Water Resilience and the Purchase of Land	Section 7(2)(c)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a)(1)

- 3 Council agree the following staff, having relevant knowledge to assist in the consideration of the items of business to be public excluded, remain in attendance to assist the Council with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Strategy and Environment	Portfolio Holder
General Manager – Community Services	Portfolio Holder
General Manager – Infrastructure Services	Portfolio Holder

- 4 This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in the public.

3. Commentary

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