

Document ID: 764222

Report To: Council



Meeting Date: 24 August 2024

Subject: **Presentation: Sport Waikato Reporting against Multi-Year Community Partnership Grant Agreement**

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 advise Council that Sport Waikato representatives Matthew Cooper, Chief Executive Officer and Robbie Matthews, Regional Connectivity Coordinator, will be in attendance at 9.15am to present and speak to the Sport Waikato Multi-Year Community Partnership Grant Agreement.

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 Presentation from Sport Waikato – Reporting against Multi-Year Community Partnership Grant Agreement be received.

3. Attachments

- 1 Presentation – Sport Waikato Reporting against Multi-Year Community Partnership Grant Agreement Report (Doc ID 763217)

Waitomo District Report

Date Range: 1 January – 30 June 2024



Contents

- 1. ORGANISATIONAL UPDATE/S – Rob Wadmore, Sport Waikato GM Regional Leadership 1
- 2. WAITOMO PLAY, ACTIVE RECREATION AND SPORT PLAN MAJOR PROJECT UPDATES 1
- 3. REGIONAL SPORT WAIKATO PROGRAMME UPDATES..... 11

ORGANISATIONAL UPDATE/S – Rob Wadmore, Sport Waikato GM Regional Leadership

The work of Sport Waikato staff is guided by the Regional Strategy for Sport and Recreation in the Waikato – Moving Waikato – which is underpinned by a focus on 3 key areas: Our People; Building Communities and Regional Leadership.



<p>OUR PEOPLE</p> <p>A focus on the provision of opportunities that meet the needs of the people of our region</p> <p>MORE ADULTS, MORE CHILDREN 'OUT THERE AND ACTIVE'</p>	<p>BUILDING COMMUNITIES</p> <p>A focus on quality local delivery of sport, recreation and physical activity experiences</p> <p>HELPING COMMUNITIES TO HELP THEMSELVES</p>	<p>REGIONAL LEADERSHIP</p> <p>A focus on regional and national partners working together to lead change and enhance outcomes</p> <p>LEADING AND DELIVERING CHANGE</p>
---	---	---

Like Council, the last twelve months has seen Sport Waikato planning for the future while maintaining the momentum of the present and building on what has been an encouraging couple of years in terms of achieving our strategic objectives of increasing the participation in Play, Active Recreation and Sport across the region. The success of our strategy hinges on our role as the provider of knowledge, data, expertise, and insights as well as our ability to form meaningful and productive partnerships such as our relationship with Council, to enable sound planning and decision making to take place. On this latter point, we are incredibly proud and appreciative of the work that Sport Waikato and Council has undertaken together, and we know that through our joint efforts, our shared goals will be achieved, and our communities will be enriched from the benefits gained from being physically active. We recognise that the current economic environment presents challenges for all organisations not least Council, and again we are grateful for your ongoing support of our mahi. Sport Waikato prides itself on being a supportive partner and one that can clearly demonstrate a good return on investment, and I trust that this is reflected in our latest update and report.




WAITOMO SPORT AND ACTIVE RECREATION PLAN MAJOR PROJECT UPDATES



STATUS	On Track 	Some Challenges 	High Risk 	Complete 
--------	--	---	---	--

Focus Areas	Progress	Further Considerations/ Proposed Future Actions	Status
<p>Opportunities for activity in the district are promoted via a central digital hub that is accessible to the community</p>	<p>The launch of our new regionwide Actively website is in the final stage with testing and data population having taken place. While the development has taken longer than expected, the importance of providing a great experience the first time to keep people coming back is priority. Final changes to the site are underway, and then we will go out to our current providers to ensure all listings are up to date before launch.</p>	<p>Sport Waikato will communicate the launch of the new Actively website via multiple social media channels and will also seek council support to help ensure a region wide reach and uptake.</p>	
<p>Support activity deliverers in the district to better understand the needs of the participant (with a particular focus on target groups of children and young people, women and girls, and deprived communities)</p>	<p>Tū Manawa Sport Waikato continues to support the local education, community and sport and recreation sector, in the region to access Tū Manawa funding opportunities to support the delivery of sport and recreation programmes, activations and play for children (tamariki 5-11 years) and youth (rangatahi 12-18). The fund aims to provide quality opportunities in play, active recreation and sport for those who are missing out.</p> <p>Within the Waitomo district during this reporting period \$26,070 has been allocated to a number of key initiatives including:</p> <ul style="list-style-type: none"> • Maniapoto Sports & Cultural • Piopio College • Waitomo Kaahui Ako (Primary School Principal Cluster) <p>An additional \$31,840 was awarded regionally with Waitomo District components included within the following successful applications</p> <ul style="list-style-type: none"> • Waikato Galaxy Touch • King Country Rugby • Otorohanga RDA <p>We are working with future applicants for the next round of funding by providing support and advice through the expressions of interest process.</p> <p>Targeted Participation</p>	<p>Sport Waikato will continue to drive applications from the district, including but not limited to, sports clubs, recreation providers and education settings (e.g., primary and secondary schools).</p> <p>Sport Waikato are actively looking to support delivery to happen in the Waitomo District.</p> <p>We would also invite Council to consider applications to the fund for the purposes of any play, active recreation and sport delivery projects that they may wish to implement.</p> <p>Sport Waikato will continue to provide deliverers with connections and links to specific participation data, profiles and trends to assist with modifications in programming and or delivery methods to ensure quality experiences.</p>	





	<p>We are in conversation with Waitomo Golf club and Piopio Golf Club to grow female membership through alternative formats, such as "Sip & Swing" sessions that allow women to have a go at golf in a welcoming and inclusive environment.</p>		
<p>Grow local sector capability through the provision of targeted workshops and education initiatives</p>	<p>Professional Learning in Primary Learning Within the Waitomo District Kaahui Ako, four school strength and needs analysis exercises were completed. These help to identify and celebrate what is done well, but also to identify areas for support and development, within health, physical activity, and sport.</p> <p>Additionally, using Sport NZ's Move Well resource, whole staff training opportunities were facilitated, with the aim being to help support competence and confidence within teachers to deliver quality HPE opportunities to students.</p> <p>WAKA Kahui Ako/ Waitomo School Cluster Currently engaging with schools to assess the desire from schools to continue engagement. There is good engagement and potential for PLD workshops to be run in Term 3 through a clustered approach.</p> <p><u>Central Cluster</u></p> <ul style="list-style-type: none"> • Te Kuiti Primary School • Pukenui School • St Joseph's Catholic School • Rangitoto School <p><u>Southern Cluster</u></p> <ul style="list-style-type: none"> • Aria School • Mokau School • Piopio Primary • Piopio College • Benneydale School 	<p>Sport Waikato looks forward to supporting our key partners with implementing their learning, as we work together to grow the physical activity levels of our region's young people.</p> <p>Continue to build relationships with key people and encourage and facilitate the sharing of ideas and best practice within these communities.</p>	




<p>Support Coach Development in the district in both school and community settings</p>	<p>Sport Development Initial engagement with Te Kuiti High School and Piopio College to identify leaders within these schools around connecting, supporting and growing coaches and volunteers, with a key objective to have a more quality experience for volunteers and participants being key to this engagement within these schools.</p> <p>Positive Vibes Only Implementation (sideline behaviour campaign) - WSSSA, Waikato Rugby, Waikato Hockey, ND Cricket, Netball WBOP, WaiBOP Football, Waikato Volleyball, Waikato Touch, Hamilton City Netball.</p>	<p>Sport Waikato along with the identified leaders and the schools will be building capability throughout 2024. We will be supporting the leaders to build sustainable and localised coaching confidence and competence, specifically around game based and person-centred coaching that meets the needs of the participant.</p> <p>Continue to support RSOs in working with their respective game deliverers to encourage the adoption of Good Sports and Positive Vibes through their channels.</p> <p>Encourage other codes to adopt a similar philosophy within the district, through this example, to ensure a quality experience. Sport Waikato will continue to work alongside RSOs to support them in their planning for further quality provision for sport across the region.</p>	
<p>Drive key outcomes, alongside District Council staff, as identified in the district sport and recreation plan – including and with specific attention to local facilities projects</p>	<p>Gallagher Recreation Centre The Sport Waikato Regional Connectivity Coordinator continues to promote the facility and opportunities within the facility to the wider community, including cross district opportunities (Regional), both now and into the future.</p> <p>Sport Waikato supporting Waitomo District Council to develop a 1 year on 'Video Case Study' with the purpose of highlighting and celebrating the centre, from the dream through to community, and school use and the impact the facility has had on the community as a whole. This will highlight the partnerships and show how the WRASP helps guide decision making, When developed this will be an opportunity for Sport NZ to utilise the resource to showcase the benefit of School and Community partnerships and positive impact they can have on communities.</p> <p>Regional Connectivity Coordinator is working with Belgravia on a local community provider engagement open day at the Centre.</p>	<p>Sport Waikato will continue to support this project through the various stages as the Gallagher Recreation Centre is highlighted as a key infrastructure project in the Waikato Regional Active Space Plan.</p>	



<p>Vibrant Waitomo Attendance at the regional coalition group. Action items from the Waitomo District Play, Active Recreation and Sport Plan have been developed to link to Vibrant Safe Waitomo. Sport Waikato led action items are in progress including the development of the Sport and Active Recreation Advisory Group.</p> <p>Regional Connectivity Coordinator presently working with Council Community lead (Sarah McElroy) and Councillor (Dan Tasker), as a steering group, reviewing the current district advisory group terms of reference, strategy and purpose.</p>	<p>Continued inclusion of Sport Waikato representatives on the Coalition and local working groups.</p> <p>Continued link to Waitomo District Play, Active Recreation and Sport Plan.</p> <p>Activation of Relevant Action points that are in the 2024-25 Action plan.</p>	
<p>District Sports Forum Will continue to, when appropriate, bring together community and potential sport leaders within Waitomo who are influential in guiding the future of sport within the area.</p> <p>First Forum was held to get an understanding of the 'State of Sport' within the district, what are the challenges and what the future looks like. Key discussion points covered:</p> <ul style="list-style-type: none"> • Hubbing and shared services • Coach and Volunteer support • Funding opportunities/workshops • How to engage with youth that are not currently active <p>Sport Waikato continues to work alongside both Council and the Community to explore needs and options within and for the community, with current infrastructure, needs and feasibility also being considered. External consultants have been appointed to explore options further.</p> <p>Regional Connectivity Coordinator has used the opportunity to connect with the local sport and recreation sector, through the process of following up survey uptake, to have thought provoking conversations around opportunities to collaborate.</p>	<p>Sport Waikato will continue to connect the local sport and recreation sector (e.g. clubs) with opportunities to reflect on and enhance their sustainability.</p> <p>Regional Connectivity Coordinator alongside council hosted a 'State of Sport' forum in August 2023. Inviting all sports into an environment where they can share what's happening within their sport. Workshop in small groups to gather shared insights and opportunities going forward. The main purpose will be to showcase and encourage collaboration.</p> <p>Follow up forum to be hosted after the completion of the winter sports term. Focus of forum will be to support reflection on the season just finished and planning for the next season and opportunities going forward.</p> <p>Hubbing conversations with Centennial Park sports users and encourage them to actively participate in the Centennial Park upgrade consultations that Council are planning.</p>	



<p>Regional Connectivity Coordinator has been working with Council's Placemaking and Development Lead around the possible Hubbing opportunity at Centennial Park. Potential opportunity to develop Community, Sport, Council and Iwi partnerships.</p>		
<p>Sport NZ 'Active As' Project – King Country Cluster</p> <p>Sport New Zealand Ihi Aotearoa have launched a new project between regional agencies and themselves supporting secondary schools and wharekura to provide quality active recreation and sport opportunities. 40 secondary schools and wharekura will be supported to design and implement their own physical activity initiatives through to December 2026.</p> <p>There are 4 King Country schools that have been selected to be part of this project. The King Country Cluster includes Taumaranui High School, Te Kuiti High School, Piopio College and Otorohanga College. Each school will receive \$100k every year for 3 years towards the project activities. These schools are 4 of only 40 schools in Aotearoa that have been selected to be part of this project.</p> <p>Schools are to design their own initiatives. Rangatahi voice should be at the heart of the Active As initiative to ensure akonga are able to be active the way they want to be.</p> <p>Schools are encouraged to consider as they design the below points:</p> <ul style="list-style-type: none"> • Removing barriers to participation and providing inclusive opportunities to be active. • Increasing human resource to focus on active recreation and sport. • Providing improved spaces and places to be active. • Engaging and working in collaboration with external providers. • Incorporating physical activity into the design and delivery of local curricula. <p>Sport Waikato, as the regional support agency, have been providing professional learning and development, and access to local support networks:</p> <ul style="list-style-type: none"> • Have supported the identified schools rangatahi leaders at the two Sport NZ project workshops held late in 2023. 	<p>Sport Waikato will continue to support this 'Active as' project through the various stages over the three-year period.</p> <p>Sport Waikato will continue to connect the local sport and recreation sector (e.g. clubs, community and local providers) to support the Active As project where possible.</p> <p>Sport Waikato will continue to connect the local Secondary Schools with opportunities to enhance their participation in local sporting and active recreations opportunities. Sport Waikato will ensure Rangatahi have a voice within Play, Active Recreation and Sport within their local communities.</p>	



- Supported schools to complete and present their projects to a panel for feedback.
- All schools have completed their presentations and their proposals have been approved by Sport NZ.
- Sport Waikato staff have since met with the schools individually to discuss implementation of the projects.

King Country Secondary School Sports Coordinator Cluster meeting

Attended the Cluster meeting hosted by Sport Waikato Sport Development, Secondary School lead and 'This is Me' teams. Representatives from Taumarunui, Piopio, Te Kuiti, Oparure, Otorohanga and Te Awamutu were at the meeting.



These cluster meetings provide an opportunity for the Regional Connectivity Coordinator to present the concept of the Waitomo and Otorohanga District Sport and Active Recreation Advisory Group. Schools to identify youth from respective district schools to be a voice within this advisory group.

Other topics of discussion included the Rural Travel Fund that is managed by Councils, and the need for more support within this Fund for the rural districts.



Travel is the biggest barrier for all of the above schools. This Cluster have already been collaborating on a range of actions from the meeting including:

- Initiating sharing of players to make up combined sports teams to ensure Rangatahi had an opportunity to participate in their chosen sport.
- Initiating small game, fun opportunities to be able to have a go at sport within their lunchtime and PE spaces. Sharing concepts and brainstorming in this cluster space.
- Coordinate King Country winter and summer interschool sport fixtures and programme.




<p>Provide stakeholders with district specific insights to support decision-making and enable community conversations</p>	<p>Voice of Tamariki (VOT) & Voice of Rangatahi (VOR) The Voice of Rangatahi (VoR) survey is a collaboration between Sport New Zealand and Regional Sports Trusts (RST's). The RST's and schools that take part have direct access to their own and regional data, which helps them establish what is working and what could be improved with physical activity at secondary schools.</p> <p>We worked with Te Kuiti High School and Piopio College to complete the Voice of Rangatahi survey alongside their students.</p> <p>We additionally collected end of season secondary school participant data on competition experience in rugby, football, badminton, and basketball.</p> <p>Updating district profiles and Local Play, Active Recreation and Sport Plans - We continue to review and update with data using Census 2018 (soon to be 2023), NZ Secondary Schools Census (2022), ActiveNZ (2021 - boosted) and support from community (2022), club (2022) and RSO (2022), Voice of Tamariki (2022 and 2023), and Voice of Rangatahi (2022) surveys.</p> <p>Three different surveys were conducted to support the development of the Waitomo Play, Active Recreation and Sport Plan. These included surveys of Regional Sporting Organisations, local clubs and organisations, and the local community.</p> <p>Updated target demographic profiles for Disability, Maaori, Pasifika, Asian and Women and Girls focus areas.</p>	<p>Continue to provide deliverers with connections and links to specific participation data, profiles and trends to assist with modifications in programming and or delivery methods to ensure quality experiences.</p> <p>Ensure relevant parties have access to and are aware of these profiles to assist with decision making processes – particularly when organisations are considering applying to external funders.</p> <p>Encourage district schools to participate in the VOT surveys to ensure a local perspective and inform Sport Waikato support mechanisms moving forward.</p> <p>This data is used to help schools and RSOs to offer opportunities that are more accessible, address barriers to participation and enhance participant experience.</p>	
	<p>SportsEye Sport Waikato have partnered with data intelligence company ActiveXChange to assist with regional wide infrastructure, participation, and community profile mapping to help inform future planning for play, active recreation, and sport provision. Through partnership with Sport Waikato, council have access to the use of this resource.</p>	<p>We are collaborating with council staff to use this tool as evidence for projects. This has included playground surveying, community hall use, usage patterns of parks and reserves, and levels of service. We are further supporting the development of this platform with the ingestion of sport specific membership data.</p>	



Lead the development and review of the district sport and recreation plan, in collaboration with the District Council	Local PARs Plan 2025-2028 The new addition of the plan is currently being developed (alongside Council staff) and will look to align with council's LTP processes. This evidence-based plan combines local and regional insights, including participation and demographic trends from clubs, organisations, and community members. Staff can access the data and trends already outlined in the draft plan.	The Regional Connectivity Coordinator will work alongside the steering group and bring in other staff to form the action plan that comes out of the new edition. Guidance will be sought from council staff on the consultation and adoption process over the next couple of months to ensure the plan aligns with LTP processes.	
Contribute to Council conversations about play, active recreation and sport via regular meetings and collaboration on key projects	Sport Waikato would like to thank the Waitomo District Council for their willingness to allow the Regional Connectivity Coordinator a regular hot desk arrangement within council offices, specifically within the community facilities team, that has allowed for these types of conversations to take place on a regular basis.	Regular access to council office space with more spontaneous and kanohi ki te kanohi (face to face engagement) results in improved outcomes. Continue to have conversations with and work alongside Council to engage teams within Council to consider and embrace, play, active recreation and sport in their planning and collaborative projects.	
	Town Concept Planning/Spatial Plan Review Sport Waikato continues to contribute to district wide town concept planning and growth discussions and has been involved with consultation planning and attended stakeholder sessions run by council.	Sport Waikato will continue to be involved in these conversations to ensure that play, active recreation and sport provision for the community meets growth needs and a strategic vision towards provision and development across the district is provided.	
	Season Transition Guidelines Conversation with staff to raise awareness of this partnership document between council, RSO and Sport Waikato. The guidelines support the idea of limited season lengths, creating a window for field transition and maintenance between seasons and sports, and ultimately increasing players welfare through reducing competing demands for time, and increasing the quality of player experience.	Sport Waikato continues to provide relevant subject matter expertise throughout these consultation processes and advocate the benefits to council of policies and strategies that complement and support the mahi within.	
Increase collaboration and connection between key stakeholders in play, active recreation and sport in the district through community partnerships	A key role of Sport Waikato staff is to support connections between key stakeholders in play, active recreation and sport to enhance community outcomes. Such connections include between; council and council staff, national groups such as Recreation Aotearoa, Walking Access Commission, RSO's/NSO's, and local groups. Key projects where Sport Waikato is supporting this type of action is involvement in the King Country Indoor	Continue to work alongside key stakeholders who activate play, active recreation and sport opportunities across the district. Continue to support and engage leaders to promote collaboration within the community, and	



	<p>Stadium project, District Sport and Active Recreation Advisory Group and scoping Hubbing opportunities.</p> <p>Regional Connectivity Coordinator presently working on 2 Hubbing opportunities within the Waitomo District:</p> <ul style="list-style-type: none"> • Centennial Park Community, Sport and Cultural Hub – Working with Council staff to scope out the potential for a Community, Sport, Council and Iwi partnership opportunity to revamp Centennial Park • Waitomo Village Sports & Community Hub – Working with the existing Waitomo Sports Club to support other opportunities to develop the club into a 'Community Sports Hub' <p>Regional Connectivity Coordinator to make contact with the Brook Park group to scope out further opportunities to activate the park and the potential to connect park activities to the walkway development along the river through town.</p> <p>Cross district Collaboration</p> <p>Regional Connectivity Coordinator presently working on a project with the Otorohanga District Development Board on behalf of the Otorohanga District Council to assess the appetite for Cycleways in the District.</p> <ul style="list-style-type: none"> • Otorohanga Cycleways Project – Develop a district wide cycle trail network and interconnected walking and cycling network for Otorohanga. Includes Otorohanga to Waitomo Cycleway and Bike Park (ODDB). <p>In these workshops and meetings with various parties the Regional Connectivity Coordinator has instigated wider conversation and consideration for the connectivity to include the Waitomo District Cycle Way opportunities such as the 'Timber Trail' and the potential opportunity to connect this to the above.</p> <p>Regional Connectivity Coordinator working with Michelle Hollands to develop a Cycle ways project and Strategy to include both districts.</p>	<p>across districts, for the betterment of play, active recreation and sport in the King Country region.</p> <p>Following up sports club's end of winter competitions to progress conversations around Hubbing opportunities.</p>	
--	---	---	---



REGIONAL SPORT WAIKATO PROGRAMME UPDATES

Programme	Programme Updates
Waikato Regional Active Spaces Plan (WRASP)	Sport Waikato continues to guide the progression of facility development priorities projects, optimisation and governance initiatives outlined in the Waikato Regional Active Spaces Plan (WRASP), along with supporting partners with spaces and places planning advice, growing the region's facilities planning network. In March the 4th edition of the Waikato Regional Active Spaces Plan was endorsed at the Mayoral Forum and is subsequently available online. The 4th Edition identifies 24 facility priority areas, 10 optimisation and operation initiatives along with 13 strategic focus areas. Recommendations from the WRASP and PARS Plans were included in Sport Waikato's submission to Council's Long-Term Plan 24-34.
Waikato Regional Aquatic Plan	Following the development of the new National Aquatics Facilities Strategy, Sport Waikato is undertaking a review of the Waikato Regional Aquatic Plan to help inform requirements around aquatic facility investment across the Waikato including the preferred approach and priority focus areas based on new national benchmarks for aquatics sports and community participation.
Waikato Natural Bodies of Water – Network Plans	Sport Waikato has led the development of the Waikato Regional Natural Bodies of Water Network Plan on behalf of all territorial authority partners which will be released in August 2024. This work has identified over 5,000 assets (formal or natural) which currently assist with play, active recreation and sport opportunities across natural water environments, along with identifying participation trends. This work will help to inform further planning across these environments and regional collaborative opportunities.
Sideline Behaviour – Positive Vibes Only	Positive Vibes Only Campaign Implementation - WSSSA, Waikato Rugby, Waikato Hockey, ND Cricket, Netball WBOP, WaiBOP Football, Waikato Volleyball, Waikato Touch, Hamilton City Netball are working with their communities to highlight what a positive sporting experience looks like and how important adults are in influencing that experience.
This Is ME	<p>Sport Waikato has embedded accessibility and inclusion focuses into the renewal of local play, active recreation and sport plans. Equally this has been embedded into the renewal process of the WRASP to ensure accessibility and inclusion are a key focus.</p> <p>In March, we launched a series of online modules to build the capability of providers to deliver quality opportunities to women and girls that meet their needs. So far, 45 people from a range of sports and active recreation opportunities have enrolled to complete the modules.</p> <p>In collaboration with the Marketing and Comms and Insights and Evaluation Teams, we have updated the regional profiles for targeted groups to help inform district decision-making and prioritisation, and to reinforce the need for targeted provision. The spotlight on women and girls was launched in March, with a profile of disability already released and the remaining profiles currently being designed.</p> <p>We have partnered with Be.lab (accessibility consultancy) to create a bespoke self-assessment tool to allow council partners to assess the accessibility of parks, playgrounds, and reserves as part of maintenance and renewal planning. The tool will be piloted later this year by South Waikato District Council and will be made available to other council partners via a staged approach from 2025.</p>



The Accessibility & Inclusion (Disability) Network continues to grow and provide a collaborative opportunity for service providers, physical activity providers, and agencies throughout the Waikato region who primarily cater to people with a disability. The aim remains to encourage greater connection, collaboration, and resource sharing. The network includes 14 representatives from 11 different disability organisations (Blind Low Vision; Halberg; Special Olympics; Parafed Waikato; Starjam; Enabling Good Lives Waikato; My Life My Voice; Equipotential; Enrich+, Hamilton City Council; Brain Injury Trust). At least 8 connections or partnerships have been formed (such as multisport days and all abilities events) to ensure more disabled people have a variety of opportunities to be active. So far, 100% of attendees have found the hui valuable and have identified collaboration as the main driver for participation.



WAITOMO DISTRICT COUNCIL

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 30 JULY 2024 AT 9:00AM

PRESENT:	Deputy Mayor Allan Goddard Dan Tasker Eady Manawaiti Gavin Todd Janene New Janette Osborne
STAFF:	Chief Executive, Ben Smit Manager – Governance Support, Michelle Higgle General Manager – Community Services, Helen Beever General Manager – Strategy and Environment, Alex Bell General Manager – Infrastructure Services, Shyamal Ram Manager – Strategy and Policy, Charmaine Ellery Senior Strategy and Policy Advisor, Alice Tasker Chief Financial Officer, Tina Hitchen Property and Facilities Manager, Liz Riley Three Waters Manager, David Karrol Local Roads Professional Services (Pinnacles), Ryan Stanley Manager – Community Development, Sarah McElroy Manager – Customer Services, Kat Merrin-Brown

1. Karakia Tuwhera

2. Apology

Resolution

The apology from Mayor John Robertson be received and leave of absence granted.

Goddard/Todd Carried

3. Declarations of Member Conflicts of Interest

No declarations made.

4. Confirmation of Minutes: 25 June 2024

Resolution

The Minutes of the Waitomo District Council meeting of 25 June 2024 be confirmed as a true and correct record.

New/Osborne Carried

5. Local Government New Zealand – 2024 Annual General Meeting – Consideration of Remits

Council considered a business paper for Council to determine how it wishes to vote at the 2024 LGNZ AGM on the remits received.

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

Todd/Tasker Carried

6. Adoption of Statement of Intent 2024/25 for Co-Lab
--

Council considered a business paper presenting for adoption the Statement of Intent for 2024/25 for Co-Lab.

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

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 The Co-Lab Statement of Intent for the year ended 30 June 2025 be published on Council's website.

New/Manawaiti Carried

7. Adoption of Statement of Intent 2024/25 Inframax Construction Ltd

Council considered a business paper presenting for adoption the Statement of Intent for Inframax Construction Ltd.

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

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 The Statement of Intent for Inframax Construction Limited be published on Council's website.
Manawaiti/Osborne Carried

8. Statement of Intent 2024 - 2027 for the NZ Local Government Funding Agency Limited

Council considered a business paper presenting the Statement of Intent 2024-27 for the NZ Local Government Funding Agency Limited.

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

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.
Todd/Tasker Carried

9. Confirmation of Engagement – Limited Assurance Report

Council considered a business paper presenting the Deloitte Confirmation of Engagement – Limited Assurance Report.

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

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 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.
Osborne/Manawaiti Carried

The Chief Financial Officer left the meeting at 9.15am.

10. Representation Review

Council considered a business paper presenting options available for the Representation Review and seeking approval of the consultation material.

An amended Suggested Resolution and Map were tabled at the meeting and the General Manager – Strategy and Engagement expanded verbally on the business paper and tabled Suggested Resolution answered Members questions.

Resolution

- 1 The business paper on the 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 to not establish these. The initial proposal includes:

- That the Council would comprise of six elected members and a mayor;
- The members would be elected by ward and a mayor elected at large;
- There will be two wards, these are Te Kūiti Ward and Waitomo Rural Ward, the boundaries are identified in the tabled map;
- Three members will be elected from each of the above wards; and
- There are no community boards.

- 3 Council approve the website content, enclosed as Attachment 1 for the consultation, allowing for minor amendments by Council Officers.

New/Todd Carried

The Senior Strategy and Policy Advisor left the meeting at 9.25am.

The General Manager – Community Services, Manager – Community Development and Manager – Customer Services entered the meeting at 9.26am.

11. Animal and Dog Control – Dog Control Policy and Practices Report

Council considered a business paper presenting for consideration and adoption the Waitomo District Council Dog Control Policy and Practices Report 2023/2024.

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

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.

Manawaiti/Goddard Carried

The General Manager – Strategy and Environment and Manager – Strategy and Policy left the meeting at 9.28am.

12. Community and Partnerships Bi-Monthly Activity Update Report

Council considered a business paper providing an update on activities that form part of the Community and Partnerships Group, including a range of Council recreation services and activities.

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

The General Manager – Infrastructure Services, Property and Facilities Manager and Local Roads Professional Services (Pinnacles) entered 9.31am.

Resolution

The business paper on Community and Partnerships Reporting be received.

Osborne/New Carried

The General Manager – Community Services, Manager – Community Development and Manager – Customer Services left the meeting at 9.35am.

The Three Waters Manager entered the meeting at 9.36am.

13. Infrastructure Services Group Bi-Monthly Activity Update Report

Council considered a business paper providing an update on the activities that form part of the Infrastructure Services Group.

The General Manager – Infrastructure Services, supported by the Property and Facilities Manager, Local Roads Professional Services (Pinnacles) and the Three Waters Manager, expanded verbally on the business paper and answered Members questions.

Local Roads Professional Services (Pinnacles) left the meeting at 9.42am.
 The General Manager – Strategy and Environment re-entered at 9.45am.
 The Three Waters Manager left the meeting at 9.49am.

Resolution

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

Todd/Tasker Carried

14. 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
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)
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
Manager – Strategy and Policy	Portfolio Holder
Senior Strategy and Policy Advisor	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.

Goddard/New Carried

The meeting adjourned for morning tea at 9.55am and reconvened at 10.15am.

The Manager – Strategy and Policy, Senior Strategy and Policy Advisor, General Manager – Community Services and General Manager – Infrastructure Services re-entered the meeting at 10.15am.

15. 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 -

1 Resident Survey 2024

The Resident Survey Report 2024 (excluding the verbatim comments) be released for public information.

2 Centennial Park

The Business Paper and Resolutions remain confidential until the Centennial Park Working Party is ready to present the Centennial Park Concept Development Plan to the community.

3 Les Munro Centre

The Business Paper and Resolutions remain confidential.

4 Update on Te Kuiti Water Resilience and the Purchase of Land

The Business Paper and Resolutions remain confidential.

Todd/Goddard Carried

16. Karakia Whakamutunga

There being no further business the meeting closed at 11.35am.

Dated this day of 2024

ALLAN GODDARD
DEPUTY MAYOR

Confidential

Confidential

Confidential

WAITOMO DISTRICT COUNCIL
Audit and Risk Committee

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 13 AUGUST 2024 AT TIME 9.30AM

PRESENT:	Independent Chairperson Jaydene Kana Mayor John Robertson Deputy Mayor Allan Goddard Gavin Todd Janene New Janette Osborne
IN ATTENDANCE:	Miles O'Connor Bancorp (via ZOOM)
STAFF:	Chief Executive, Ben Smit Manager – Governance Support, Michelle Higgle Systems Analyst /Senior IT Support Officer, Dave Power Manager – Strategy and Policy, Charmaine Ellery General Manager – Infrastructure Services, Shyamal Ram General Manager – Community Services, Helen Beever Health and Safety Coordinator, Tanchia Pitts-Brown Chief Financial Officer, Tina Hitchen Asset Accountant, Wayne La Roche General Manager – Strategy and Environment, Alex Bell Senior Strategy and Policy Advisor, Alice Tasker Executive Assistant - Business Support, Rajeshwari Mahadevappa

1. Karakia Tuwhera

2. Confirmation of Minutes: 14 May 2024
--

Resolution

The Minutes of the Waitomo District Council Audit and Risk Committee meeting of 14 May 2024 be confirmed as a true and correct record subject to the following corrections:

Resolution 5 in Item 13(1) of the public Minutes be corrected to duplicate the public excluded Minute.

Osborne/Goddard Carried

The Manager – Strategy and Policy entered at 9.41am

3. Chair Report – August 2024

The Committee considered a business paper prepared by the Independent Chairperson for August 2024.

The Chairperson expanded verbally on the business paper.

The General Manager – Infrastructure Services entered the meeting at 9.45am.

The Systems Analyst /Senior IT Support Officer provided a verbal update on Cyber Security activities.

The Manager – Strategy and Policy provided a verbal update on Climate Change activities.

The Systems Analyst /Senior IT Support Officer left the meeting at 9.50am.

The Chief Executive and General Manager – Infrastructure Services provided a verbal update on strategic asset management.

Resolution

The Chair Report – August 2024 be received.

New/Goddard Carried

4. Mastercard Expenditure Report: May/June 2024

The Committee considered a business paper presenting details of expenditure incurred via WDC issued Corporate Mastercard for the Committee’s information and consideration.

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

The Chairperson queried the value from a "risk" perspective of having this report on the Agenda considering the authorisation process in place. The Committee agreed to re-consider future inclusion of this report at the next meeting of the Committee.

Resolution

The Mastercard Expenditure Report for the period May/June 2024 be received.

Kana/New Carried

The General Manager – Community Services and Health and Safety Coordinator entered the meeting at 10.00am.

5. Progress Report: Health and Safety

The Committee considered a business paper providing a brief on Waitomo District Council’s health and safety performance during quarter four of the 2023/24 year.

The General Manager – Community Services and Health and Safety Coordinator expanded verbally on the business paper and answered Members questions.

Resolution

The Progress Report: Health and Safety be received.

Kana/Todd Carried

The General Manager – Community Services and Health and Safety Coordinator left the meeting at 10.13am.

6. Progress Report: WDC Resource Consents – Compliance Monitoring (April to June 2024)

The Committee considered a business paper providing a brief on compliance reporting against Resource Consent conditions, due during the fourth quarter (2023/2024).

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

Resolution

The business paper on WDC Resource Consents – Compliance Monitoring be received.

Todd/Goddard Carried

7. Progress Report: Procurement Summary Schedule (April 2024 – June 2024)
--

The Committee considered a business paper presenting a summary of the procurements made in the period 1 April 2024 to 30 June 2024 in accordance with Waitomo District Council's Procurement Policy.

The Chief Financial Officer and Asset Accountant entered the meeting at 10.27am.

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

Resolution

The business paper on the Progress Report: Procurement Summary Schedule (1 April 2024 to 30 June 2024 be received.

New/Osborne Carried

Miles O'Connor, Bancorp Treasury Services Limited entered them meeting via Zoom at 10.34am.

8. Treasury Management Report for the year ended 30 June 2024
--

The Committee considered a business paper providing an update on WDC's debt position and compliance with borrowing limits for the year ended 30 June 2024.

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

Miles O'Connor, Bancorp Treasury Services Limited attending the meeting and presented the Bancorp Treasury Management Report to the Council via Zoom.

Resolution

The business paper on Treasury Management Report for the year ended 30 June 2024 be received.

Todd/New Carried

Miles O'Connor, Bancorp Treasury Services Limited left the meeting at 10.51am.

9. Insurance Renewal for year to 31 October 2024

The Committee considered a business paper providing a brief on Council's 2023/24 insurance arrangements.

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

Resolution

The business paper on Insurance Update Report for the Insurance Year to 31 October 2024 be received.

Kana/Osborne Carried

The General Manager – Strategy and Environment, Manager – Strategy and Policy, Executive Assistant – Business Support, Senior Strategy and Policy Advisor, and General Manager – Community Services entered the meeting at 11.06am

10. Progress Report: Key Performance Indicators for the period ended 30 June 2024

The Committee considered a business paper presenting Waitomo District Council's delivery performance on non-financials for the 2023/24 financial year for the period ending 30 June 2024 (Quarter 4).

The Senior Strategy and Policy Advisor expanded verbally on the business paper and answered Members questions.

Resolution

The Progress Report: Key Performance Indicators for the period ended 30 June 2024 be received.

Kana/Goddard Carried

There being no further business the meeting closed at 11.20am

Dated this day of

JAYDENE KANA
INDEPENDENT CHAIRPERSON

**WAITOMO DISTRICT COUNCIL
TE RAANGAI WHAKAKAUPAPA KOORERO (MĀORI RELATIONS COMMITTEE)**

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL TE RAANGAI WHAKAKAUPAPA KOORERO (MĀORI RELATIONS COMMITTEE) HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON THURSDAY 15 AUGUST 2024 AT 9.00AM

PRESENT: Councillor Eady Manawaiti (Chairperson)
Mayor John Robertson

IN ATTENDANCE: Councillor Gavin Todd
Ben Smit, Chief Executive
Michelle Higgle, Manager – Governance Support
Alice Tasker, Senior Strategy and Policy Advisor

1. Karakia Tuwhera

2. Apologies

Resolved

The apology from Councillor Tasker be received.

Robertson/Manawaiti Carried

3. Declarations of Member Conflicts of Interest

No declarations were made.

4. Confirmation of Minutes – 7 March 2024

Resolution

The Minutes of a meeting of the Te Raangai Whakakaupapa Koorero (Māori Relations Committee) held on 7 March 2024 be confirmed as a true and correct record.

Robertson/Manawaiti Carried

5. Activity Report: April 2024 to July 2024

The Committee considered a business paper documenting, for recording and transparency purposes, the activities of Te Raangai Whakakaupapa Koorero (Māori Relations Committee) during the period April 2024 to July 2024 as follows:

Date	Event
7 May 2024	Meeting with Jimmy Holland re Hetet Water Reservoir
8 May 2024	Tiroa/Te Hape Trust Governance meeting in Te Kuiti
24 June 2024	TRWK Catch Up/Priorities with Chief Executive, Ben Smit
3 July 2024	Meeting with Mayor John Robertson and Councillor Dan Tasker on TRWK issues. Follow up meeting with Te Tai Hauauru Ki Uta Whare representative Ronnie Takarei re: Māori Representation Model discussion with Whare representatives.
12 July 2024	Meeting with Holland/Searancke representatives re: Hetet Water Reservoir access and easement.

The Mayor expanded verbally on the report and suggested further resolutions.

Resolution

- 1 The Activity Report – April 2024 to July 2024 be received.
- 2 The Committee notes the engagement on a representation model with Whare and Hapu to date, including:

Date	Event
25 January 2024	Meeting at Piopio School with Te Whare ki Mōkau ki Runga
27 February 2024	Meeting at Council Chambers with Te Whare ki Rereahu representatives
7 March 2024	Meeting at Council Chambers with Te Runanga o Ngāti Mahuta ki te Hauāuru
15 April 2024	Meeting at Tiroa House with Te Whare Tokanganui a Noho
12 August 2024	Meeting at Tokikapu Marae with Te Whare Hauaauru ki Uta

- 3 The Committee notes the general appreciation by Whare of the Committee's engagement with them and the way that relationships are developing with Council through the Committee.
- 4 The Committee notes that the Committee is performing the role of representing the interests of whare, hapu and whanau on certain matters with Council and that this role has general support and should continue.
- 5 That Whare be sent a letter of thanks from the Committee Chair for the engagement to date, and that Whare and Marae Chairs and/or their alternatives be invited to a meeting hosted by Council to discuss how to progress and formalize communication and engagement going forward.

Manawaiti/Robertson Carried

6. 2024 Work Plan

The Committee considered a business paper seeking consideration of a revised Work Plan.

The Chairperson expanded verbally on the business paper and answered questions.

Resolution

- 1 The business paper on Te Raangai Whakakaupapa Koorero Work Plan be received.
- 2 Te Raangai Whakakaupapa Koorero adopt the following revised Work Plan:

Activity	Timeframe
Continue development of the engagement model with Māori.	End of November 2024
Support with whanau for the Te Kuiti Water Resilience project.	Ongoing but hope to resolve by December 2024
Support the development of a model to improve the understanding of staff (and potentially Elected Members) of Te Reo, Te Ao Māori and Tiriti.	Model developed and in place for staff by October 2024

- 3 The Committee continue to work with whanau to assist the Te Kuiti resilience project, to inform themselves of current and historical grievances, and to assist to find a way forward that addresses matters of concern.
- 4 The Committee provide guidance to the Chief Executive as he develops a model to improve the understanding of staff of Te Ao Māori.

- 3 The Committee encourage the Chief Executive to consider programmes on offer from LGNZ and other providers rather than to develop a programme specific to Waitomo District Council.
- 6 The Committee agree that any model adopted should focus on improving Council organisation performance.
- 7 The Committee agree that the model be developed for Council staff, not elected members.
- 8 The Committee note the advice on Motakiora Brook Park.
- 9 The Chairperson invite Ngāti Rora to meet with the Committee to define and discuss their aspirations for this whenua.
- 10 The Committee note the advice on the Kiritehere Cemetery, and in line with the request from whanau, refer this matter to the full Council to consider.

Manawaiti/Robertson Carried

7. Options for New Model of Māori Representation

The Committee considered a business paper presenting options for a new model of Māori representation following Whare meetings as follows:

Date	Event
25 January 2024	Meeting at Piopio School with Te Whare ki Mōkau ki Runga
27 February 2024	Meeting at Council Chambers with Te Whare ki Rereahu representatives
7 March 2024	Meeting at Council Chambers with Te Runanga o Ngāti Mahuta ki te Hauāuru
15 April 2024	Meeting at Tiroa House with Te Whare Tokanganui a Noho
12 August 2024	Meeting at Tokikapu Marae with Te Whare Hauaauru ki Uta

Resolution

- 1 The business paper on Options for a New Model of Māori Representation be received.
- 2 Te Raangai Whakakaupapa Koorero Committee continue progressing as set out in the Resolutions above.

Robertson/Manawaiti Carried

8. Karakia Whakamutunga

There being no further business the meeting closed at 10.03am

Dated this day of 2024

EADY MANAWAITI
CHAIRPERSON

Document ID: 764235

Report To: Council



Meeting Date: 27 August 2024

Subject: Mayor's Report – August 2024

Type: Information Only

Author(s): John Robertson
Mayor

1. Purpose of Report

1.1 The purpose of this business paper is to present the Mayor's report for the current month.

2. Suggested Resolution

2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.

1 The Mayor's Report – August 2024 be received.

3. Commentary

3.1 When "free" money is given to our Council, it is important that we use it wisely.

3.2 To help get their Three Waters policy over the line, the last Government promised Councils billions of dollars of "Better off Funding". They dictated the types of projects that it could be spent on but decided that Councils could not use it on projects related to water.

3.3 Our portion was close to \$3.5 million in the first tranche and \$10.5 million in the second.

3.4 We decided to spread the money around our communities. In Marokopa, we cleaned up the old school site. In Benneydale, we sealed the carpark outside the Hall. In Piopio, we sealed the carpark at the Cosmopolitan Club. In Te Kuiti, we set aside money to make improvements to Centennial Park. These were all worthy community projects.

3.5 We also set aside money to have consultants help us review some potentially large projects. Town "gateways" and a cultural hub in Te Kuiti. Reconfiguring the Les Munro Centre. The capital works money for these large projects was anticipated to come from the second tranche of \$10.5 million. This tranche was taken off the table by the last Government.

3.6 The current Government has changed the rules and advised that money remaining unspent from the first tranche can be used to fund projects related to water. The Minister has gone further, urging Councils to make this transfer. That gives us an opportunity to reconsider priorities.

3.7 Most of the first tranche of the "Better off Funding" has been spent. But there is some unspent money that we may be able to shift.

3.8 I sense that we are stretched as an organization currently to cope with the delivery of the many projects we have on the table. We should be wary about starting new projects without knowing that we have the resources to complete those of highest priority.

3.9 The Government has enabled unspent money to be reallocated to water-related projects. We should consider this option.

Document ID: 763911

Report To: Council



Meeting Date: 27 August 2024

Subject: **Leadership/Governance, Finance and Information Services Activity Update Report**

Type: Information Only

Author(s): Tina Hitchen
Chief Financial Officer

Saeed Jouzdani
Chief Information Officer

Ben Smit
Chief Executive

1. Purpose of Report

- 1.1 The purpose of this business paper is to update Council on activities that form part of the Leadership/Governance Group including Finance and Information Services.

2. Suggested Resolutions

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.
1. The business paper on Information Services, Finance and Leadership/Governance Activity Update Report be received.

3. Background

- 3.1 This report incorporates commentary (on an as required basis) on activities including:
1. Finance
 2. Information Services
 3. Information Technology
 4. Leadership/Governance
 5. Legal Matters (including official information requests)
 6. Inframax Construction Limited
 7. CoLab
 8. Council Owned Quarries
 9. Fleet

4. Finance

4.1 CURRENT ACTIVITY

- 4.2 A detailed Finance Report is contained elsewhere in this Agenda.
- 4.3 The focus of the Finance Team over the last two months has been on the completion of the LTP, end of financial year processing and preparation for rates strike for the new rating year. The rates team have completed a significant amount of work for the rates strike which was completed successfully during the period with instalment one invoices posted in

July. Direct debit recalculations were completed with customers notified of their new direct debit amounts. Payment arrangement recalculations are underway, and customers will be advised of their new payment amounts during August.

- 4.4 The interim audit was undertaken by the Deloitte audit team at the end of June and no issues were identified. The auditors have confirmed that they are well through their audit work programme and will enter the final audit in a good position.
- 4.5 Recruitment of the two vacant finance team roles was completed with the Management Accountant and Rates Officer Collections roles both filled during the period, this brings welcome resources to the team.
- 4.6 **LOOKING FORWARD – THE NEXT 3 MONTHS**
- 4.7 The development of the Annual Report is underway and is consuming a large amount of time. The final audit is scheduled for mid-September, with adoption of the Annual Report in October.
- 4.8 The financial workstream of the 2025/26 Annual Plan will commence shortly with staff working with budget managers to compile their draft budgets.
- 4.9 The general revaluation workstream continues, with data integrity checking and valuers working with staff to gather additional information to inform the valuation process.
- 4.10 A review of accounts in rates arrears will be undertaken during the July-September quarter, with final notice letters to be sent out and accounts progressed to external debt collection agency where required.
- 4.11 The insurance renewals process is underway, with declarations completed and schedules prepared for the renewal in October.
- 4.12 The finance team are also supporting a number of workstreams across the organisation including the landfill and sludge disposal options analysis, as well as the revenue and finance considerations for the Maniaiti/Benneydale pilot study for metered water.

5. Information Technology

5.1 CURRENT ACTIVITY

- 5.2 The Council's contract for photocopiers will end on 25 November 2024. New prices have been obtained from Canon and Ricoh for the renewal and Ricoh has offered the Council a better deal.

5.3 CLOUD MIGRATION

- 5.4 The Objective migration to MagiQ Docs (the Council's Document Management System) went live on Monday 12 August 2024.
- 5.5 Prior to the "go-live" date, training sessions were convened with all staff to assist with a smooth transfer.
- 5.6 A small Project Group is now working through "teething" problems with the transfer, however all in all the process has gone well with no major issues identified which cannot be addressed in a timely manner.

5.7 LOOKING FORWARD – THE NEXT 3 MONTHS

- 5.8 GIS migration to Cloud is the next major project toward the completion of the Cloud Migration Programme. Knowing that the GIS server support ends in the first half of 2025, this project will have high priority.

- 5.9 Staff will work with the new Audit and Risk Chair to look at the current strategic risks and develop staff workshops to consider the practical impact and mitigation of these risks.
- 5.10 The development of improved Information Management and the migration from Objective to MagiQ Docs. The only potential risk is the integration of MagiQ Docs to AlphaOne (Building Control System) which has started and is a work in progress, however the migration for this will happen after the MagiQ Docs go-live date. MagiQ is to optically character read (OCR) all non-OCR documents before migrating them to MagiQ Docs. This will mean that data in these documents can be searched for in the future.
- 5.11 Implementing the Flowingly application (process mapping and electronic forms) presented an opportunity for WDC to enhance internal processes through e-forms, automation and improvements. As WDC's process mapping and automation tool, Flowingly can streamline and enhance processes as they are mapped out and so far, three processes have been automated and are already being used by the staff. There has been interest from other departments to utilise the capabilities of this application to their advantage which the IS team is working towards delivering.
- 5.12 WDC is implementing a Human Resource Management system. Elmo has been chosen as the preferred application based on its functionality and integration capabilities with DataPay. The go-live date for this tool is to be confirmed.

6. Leadership/Governance

6.1 CURRENT ACTIVITY

6.2 AUDIT AND RISK COMMITTEE INDEPENDENT CHAIR

- 6.3 Council welcomed our new Independent Chairperson, Jaydene Kana, who attended her first meeting of the Audit and Risk Committee on Tuesday 13 August 2024.

6.4 FLEET RENEWAL

- 6.5 New motor vehicle purchases are made through the All of Government procurement system and, where appropriate, we are moving to hybrid vehicles as the fleet is renewed.
- 6.6 The fleet renewal program for 2024/2025 has commenced with new vehicles being ordered for our Water Services Technicians and a new Rooding Engineer. The vehicles ordered are 2024 Toyota Hilux Hybrids which will be replacing predominantly 2015 – 2019 Mazda BT-50s.

6.7 LGOIMA REQUESTS

- 6.8 Responding to requests for information made under the Local Government Official Information and Meetings Act 1987 (LGOIMA) can take up a significant amount of time. For the calendar year to date, we have received 39 requests for information under (LGOIMA).

- 6.9 The following table provides a year-on-year comparison of request numbers received:

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 at 31 July
25	35	73	96	85	75	70	50	86	41

6.10 LOOKING FORWARD – THE NEXT 3 MONTHS

- 6.11 Significant organisation-wide projects (Local Waters Done Well, Stormwater Planning, Waitomo District Landfill, Centennial Park Concept Plan, Les Munro Centre Utilisation, and Consultation on the Representation Review) continue to be a lot of work for the wider Senior Management Team.

Document ID: 764027

Report To: Council



Meeting Date: 27 August 2024
Subject: Kiritehere Cemetery/Urupa
Type: Decision Required
Author(s): Ben Smit
 Chief Executive

1. Purpose of Report

- 1.1 The purpose of this business paper is for Council to consider a request received from Kiritehere whanau in relation to the potential reopening of the Kiritehere Cemetery for interments in the form of the development of a wall.

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 Kiritehere Cemetery/Urupa be received.
 - 2 Council approve staff to undertake the process to reopen the Kiritehere Cemetery for interments.
 - 3 Council approve the building of an Ashes / Remembrance Wall at an estimated cost of \$10,000 to be funded from within existing capital budgets.

3. Background

- 3.1 A Closing Order (Kiritehere Closing Order 1967) and Gazette Notice dated 31 August 1967 were issued for the Cemetery. Control and management was divested to the Waitomo County Council.
- 3.2 Our Environmental Health Protection Manual (Version 19, May 2024) has the following information on reopening of closed cemeteries and burial grounds. The Burials Act S45A refers to public consultation and compliance with the RMA.

7.3.6 Reopening of closed cemeteries and burial grounds

The Director of Public Health (acting under delegated authority) may reopen a closed cemetery or burial ground if satisfied that the cemetery or burial ground should be reopened, the local community consulted, and the reopening complies with the Resource Management Act 1991 (Burial and Cremation Act 1964, ss.45A – 45D).

The following information should be included in any application to reopen a cemetery or burial ground.

- *The reason for reopening. For example this could include such things as how far away is the nearest open cemetery or burial ground, are there public transport difficulties in relatives getting to visit grave*
- *The result of any public consultation.*
- *Has a description of the land been included in the application?*

- *Who is the cemetery land vested in? If it is not the district council is there any proposal that it should be? If so, this would need to be included in the reopening order.*
- *Who is the control and management of the cemetery or burial ground to be vested in?*
- *Is the cemetery land a reserve under the Reserves Act? If so evidence that the Department of Conservation has been consulted and what their view is.*
- *Does the proposed operation of the cemetery comply with the provisions of the Council's district plan? If it does, no resource consent is required. Compliance with the Resource Management Act must be included as it is one of the statutory requirements that the Director of Public Health must consider.*
- *What is the proposed date of reopening?*
- *Are there any conditions or exceptions that are to be included in the reopening order?*

There is no checklist / template for reopening of cemeteries in our manual unlike creating denominational burial grounds etc.

4. Commentary

- 4.1 The application, from a staff perspective, seems achievable. Additional engagement with the wider Marokopa/Kiritehere communities will be required. This will be achieved with the support of the whanau from Kiritehere.
- 4.2 The capital for the development of the interment wall is estimated to be \$5,000 – \$10,000. This can be achieved using existing budgets.
- 4.3 Discussions with the whanau have indicated that there has been significant support for the reopening of the cemetery. WDC's current open cemeteries are:
- Te Kūiti Cemetery (Old and New): Mangarino Road, Te Kūiti.
 - Mōkau Cemetery: Aria Terrace, Mōkau
 - Piopio Cemetery: Mangakowhai Road, Piopio
 - Aria Cemetery: Barclay Road, Aria
 - Te Waitere Cemetery: Te Waitere Road, Te Waitere
- 4.4 Normal fees and charges will apply to this activity.

5. Analysis of Options

- 5.1 Option 1: Do nothing.
- 5.2 Option 2: Reopen the Kiritehere cemetery and construct an Ashes / Remembrance Wall at an estimated cost of \$10,000.

6. Considerations

6.1 RISKS

6.2 OPTION 1: DO NOTHING

- 6.2.1 This obviously has no cost and no additional work but will not achieve the ongoing development of WDC's relationship with mana whenua and the community.

6.3 OPTION 2: REOPEN KIRITEHERE CEMETERY AND CONSTRUCT AN ASHES / REMEMBRANCE WALL

6.4 The process outlined by Te Whatu Ora for the reopening is achievable - WDC will get significant support for community engagement from the Kiritehere whanau.

6.5 The community will not be positive about the reopening - Feedback received so far indicated that the community will be positive about using the cemetery which will obviously welcome everyone to use the wall.

6.6 The cost of the wall is more than expected - The design of the wall, which staff will receive feedback on during the community engagement will be kept simple.

6.7 Operating costs will be minimal for the wall - Kiritehere whanau have reiterated that they are interested in an Ashes only wall and there will be no requirement for burials.

6.8 CONSISTENCY WITH EXISTING PLANS AND POLICIES

6.9 An application for reopening the cemetery will need to be approved by Te Whatu Ora. There will be no problems foreseen with WDC's plans and policies.

6.10 SIGNIFICANCE AND COMMUNITY VIEWS

6.11 Community engagement with the Marokopa and Kiritehere communities will be undertaken but this will not trigger WDC's Significance and Engagement Policy.

<p>7. Recommendation</p>

7.1 Council approve staff to undertake the process to reopen the Kiritehere Cemetery for interments.

7.2 Council approve the building of an Ashes / Remembrance Wall at an estimated cost of \$10,000 to be funded from within existing capital budgets.

Document ID: 763941

Report To: Council



Meeting Date: 27 August 2027

Subject: **Waikato Waters Done Well Project – Recommendations from the Project Team**

Type: Decision Required

Author(s): Ben Smit
Chief Executive

1. Purpose of Report

- 1.1 The purpose of this business paper is to provide an update on the process and outcomes to date of the Waikato Waters Done Well (WWDW) Project and to present the recommendations of the WWDW Project Team for consideration and adoption.

2. Suggested Resolutions

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

- 1 The business paper on Waikato Waters Done Well – Recommendations from the Project Team be received.
- 2 The Recommendations of the Waikato Waters Done Well Project Team be approved as follows:
 - **Recommendation 1** That the vision, outcomes and success measures be adopted in principle.
 - **Recommendation 2** That participating councils co-design an aggregated model that is staged by function and governed by a professional board from the outset. Stage 1 will be the establishment of an entity providing functional services to participating councils. The end point (to deliver on the vision, outcomes and success measures) is an aggregated, fully regulated water services entity.
 - **Recommendation 3** That each member organisation formally advises the Forum Chairs of their decision in relation to the recommendations by mid-September 2024. Non-participating councils will exit this workstream but will be kept informed of the work underway.
 - **Recommendation 4** That participating councils instruct their Chief Executive to negotiate a Heads of Agreement (HoA) to bring back for their approval by the end of October 2024 (with the intention of the HoA being signed in November 2024). The HoA will be a non-binding agreement between participating councils, entered into on a good faith basis to show a commitment to progress in the manner proposed. The framework will inform the development of more formal documentation.

3. Background

- 3.1 Councils are required by law to periodically review the cost-effectiveness of how they meet their communities' needs for good-quality local infrastructure, local public services, and performance of regulatory functions.
- 3.2 Under the 'Local Waters Done Well' approach, all councils are required by the Government to look at how they can address any infrastructure deficits and raise standards of delivery to meet future regulatory requirements.
- 3.3 Plans can be submitted individually or jointly. The information requested of councils is extensive and includes detail around the anticipated or proposed model for future water services delivery, together with the implementation plan for the proposed model (including timeframes and milestones).
- 3.4 The team of people that have been working with the Waikato Region Mayoral Forum and Chief Executive Forum will present the report on findings from the work undertaken so far on the options, opportunities and risks of establishing an aggregated waters entity for the Waikato councils. The following reports, produced by them, are attached and include:
1. Technical Report - this will be generic, and capture the output from the work across the Region.
 2. Financial Modelling Assumptions – Waikato.
- 3.5 The body of this paper will not try to repeat this information but will focus on WDC's staff assessment of where WDC is at in relation to the key findings /problems raised in the Technical Report in Section 4.1. This however has necessitated some degree of duplication.
- 3.6 The Local Government (Water Services Preliminary Arrangements) Bill was introduced into Parliament in May 2024 and will be passed into law in late July/early August 2024. Councils must adopt the Water Services Delivery Plans (WSDP) by resolution. The Bill requires that councils demonstrate publicly the commitment to deliver water services in a way that:
1. Ensures that the Council will meet all relevant regulatory quality standards for its stormwater network, wastewater network, and water supply network.
 2. Is financially sustainable for the Council, and supports the Council's housing growth and urban development, as specified in its Long-Term Plan.
 3. The Plan must relate to all water services in the relevant area (whether a single council or joint water plan across districts).
- 3.7 The major implications of the Bill are:
1. That it will require councils to submit a WSDP within 12 months of the Bill being passed into law. The policy intent explaining the available options, tools and models (together with the criteria for financial sustainability) will soon be announced but the models available to choose from will only be passed into law a few months before the submission date for the WSDP (mid-2025).
 2. Provides for formation of an "economic regulation" through information disclosure requirements for specified entities;
 3. Introduces a streamlined process for consulting on the establishment of a jointly owned water services Council-Controlled Organisation (CCO). This will involve consulting on only two options (the status quo and the planned model). It does not require an assessment of all practical options. Consultation is done only once and then no consultation on any subsequent LTP amendment. There will be no requirement to follow the Section 17A review process.
- 3.8 The attached Waikato Technical report has the following recommendations **for discussion** that relate to future water services for the Waitomo District Council:

1. **Strategic direction:** That the Council agrees to the vision, outcomes and success measures for the Waikato to be adopted in principle. These are set out in Section 3 of the attached Technical Report but are also included in the Appendix to this report for ease of reference.
2. **Co-design a staged aggregated model:** That the Council agrees to being a participating council that will co-design an aggregated model for the delivery of water services staged by function and governed by a professional board from the outset. Stage 1 will be the establishment of an entity providing functional services to participating councils. The end point (to deliver on the vision, outcomes and success measures) is an aggregated, fully regulated water services entity.
3. **Advise Forum Chairs of decision:** That the Council formally advise the Joint Chairs of the Waikato Joint Mayors and Chairs Forum (via the Co-Lab Project Team) of their decision in relation to the above recommendations by mid-September 2024.
4. **Heads of Agreement:** That the Council formally instruct its Chief Executive to negotiate a Heads of Agreement (**HoA**) to bring back for Council approval by the end of October 2024 (with the intention of the HoA being signed in November 2024). The HoA will be a non-binding agreement between participating councils, entered into on a good faith basis to show a commitment to progress in the manner proposed. The framework will inform the development of more formal documentation.

3.9 NEXT STEPS

3.10 Subject to the above recommendations being approved, a HoA will be negotiated and brought back to the Council for approval before the end of October 2024. If the Council does not approve being a participating council in the proposed aggregated model, it will exit the WWDW workstream but be kept informed of the work underway.

3.11 A timeline of key dates is detailed below:

Date	Action	Comments
February 2024	Repeal of all prior water services legislation.	
May 2024	Bill 2 introduced. Select Committee report July 2024.	WSDP in 12 months – August 2024. Economic regulator – Commerce Commission. Streamlined community consultation.
August 2024	Policy intent explaining tools and model options.	Very important in terms of setting up new Water Entities.
November 2024	Potential non-binding good faith Heads of Agreement in place across Waikato.	This will establish Stage 1, i.e., recommendation in the attached paper.
Q1 2025	Potential governance documentation is adopted by participating Waikato councils.	This will formalise Stage 1, i.e., recommendation in the attached paper.
Mid 2025	Bill 3 passing Policy on tools and model options.	Final Act wording only known a few months before WSDP due.
Mid-August 2025	Councils to submit WSDP.	
Q3 2025	Potentially Stage 1 functional services entity established – board and CE in place.	This will start the implementation of Stage 1, i.e., recommendation in the attached paper.
30 June 2028	Council 3 Waters Financial Sustainability.	

4. Commentary

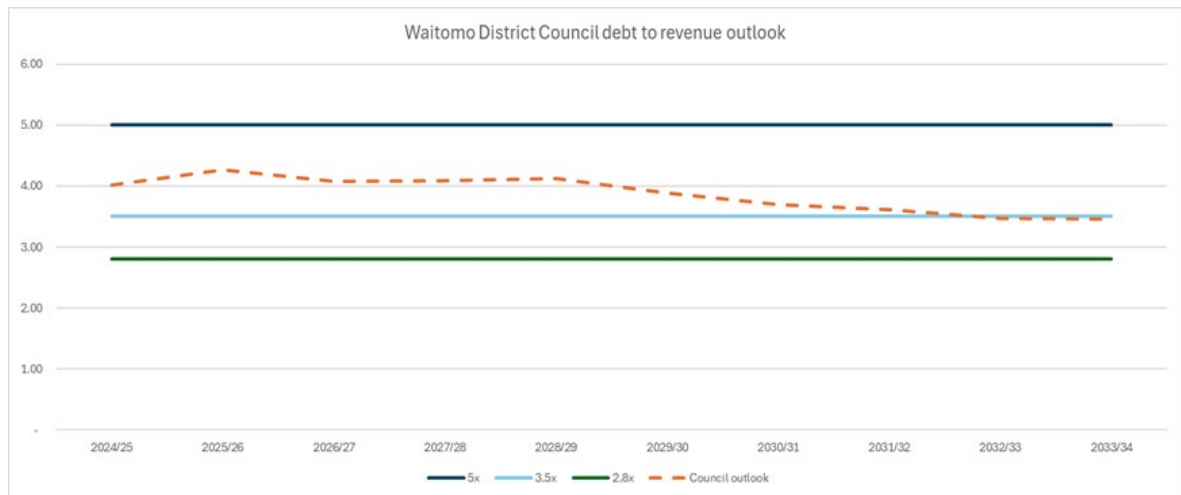
4.1 REGIONAL CONTEXT

- 4.2 Under the banner WDDW, the Waikato Joint Mayors and Chairs Forum seeks to support individual councils to make informed decisions on the merits of aggregating water services, regionally or sub-regionally. This report (together with the accompanying Technical Report written by the Project Team) is the output of work mandated by the Forum.
- 4.3 Across Waikato councils, LTP 24-34 indicate about \$7.5 billion is budgeted to be invested in three waters over the next decade alone. Of this, nearly \$5 billion relates to capital works. Some further capital commitments were recommended to councils but were not included in the final 10-year budgets, largely because of affordability concerns. Under the current regime, the Waikato will continue to have infrastructure deficits.
- 4.4 There are multiple independent reports over the last decade (or more) that have been commissioned at a national and local level and show three waters can be delivered more cost-effectively if councils leveraged scale. The analysis set out in the attached Technical Report, uses a very conservative efficiency target of around 1% per year (compared with the efficiency target of 4% per annum set by the Watercare Board). Savings of around \$338 million across the whole of Waikato could be achieved from a fully aggregated water services entity, over 10 years. The main driver of the efficiency savings relates to capital works planning and delivery, being \$185 million.
- 4.5 Successive governments have long recognised the benefits of scale. While the legislation is still being developed, Local Government Minister Simeon Brown has personally confirmed to Forum members at a meeting held in mid-June 2024 that the Government is looking for a more joined-up approach to water services delivery, including in the Waikato.
- 4.6 The drivers for aggregation are both financial and non-financial. Water experts across Waikato councils, and externally (including contractors), advise risks and opportunities will best be mitigated and captured by councils working together.
- 4.7 This is not just about debt capacity, although that is a challenging issue for growth councils in particular. Nor is it about whether councils can 'afford' their three waters capex forecast over the course of their LTPs. Even if councils can 'afford' to deliver within their debt limits, under the status quo projections show this will not be affordable for all communities.
- 4.8 Affordability for ratepayers, and the legal obligations of councils to review cost-effectiveness of arrangements, is a fundamental premise of this work.
- 4.9 The following sections cover staff's assessment of where WDC is at in relation to the key problems raised in the Technical Report in Section 4.1, namely debt capacity, community affordability, workforce availability, capital works delivery, business continuity, compliance and consenting.

4.10 DEBT CAPACITY

- 4.11 Waikato councils fit into, basically, two categories:
1. Growth councils (Hamilton, Waikato and Waipa): These councils are running out of the ability to borrow funds from the Local Government Funding Agency (LGFA) because they will surpass the revenue to debt ratio covenant. Central Government is developing funding vehicles that will mean there is balance sheet separation of their water activities from their non-water activities. This is possibly through the development of Council-Controlled Organisations (CCO) which will allow greater levels of borrowing (and higher risk and therefore interest rates) for the water activities compared to the non-water activities.
 2. Other Waikato councils: Albeit there is significant growth in other councils the pressure on the revenue to debt covenant is not as large. WDC is one of these councils. Our LTP policy limit is 165%, our LGFA covenant (Limit) is 175%. Our LTP indicates a peak at 104% in 2025/26 and this drops to 56% in 2033/34.

- 4.12 The need to set up an individual CCO for debt funding purposes is often confused with the need to establish an aggregated waters CCO which would provide relief for all the issues raised in this report and not just an individual council's need to be able to borrow funds.
- 4.13 Waitomo District Council Debt to Revenue: Although overall debt capacity is not an issue for WDC, the ring-fenced water debt to revenue ratio is high. This highlights that most of our debt is in the three Waters activities currently.



4.14 **COMMUNITY AFFORDABILITY**

- 4.15 It is believed that this is one of our largest risks. The attached WDDW Report shows an increase for Waitomo District Council in 2024, from \$2,651 average water charges to \$4,634 by 2035. We currently have the highest water rates in the Waikato region. The Waikato water rates range from \$974 to ours at \$2,651.

Council	2024 Average Water Rates (\$)	2024 Affordability	2034 Average Water Rates (\$)	2034 Affordability
Hamilton	1,589	1.3%	5,281	2.7%
Hauraki	1,714	1.8%	4,860	3.2%
Matamata-Piako	1,539	1.5%	2,193	1.3%
Ōtorohanga	974	0.9%	1,652	1.0%
South Waikato	1,613	1.5%	2,337	1.3%
Taupō	1,655	1.5%	3,350	1.9%
Thames Coromandel	1,883	2.4%	3,018	2.4%
Waikato	2,310	1.8%	7,921	3.8%
Waipa	2,021	1.7%	3,470	1.8%
Waitomo	2,651	3.0%	4,634	3.2%

- 4.16 Of more significance than the absolute dollars is how this figure relates to median household income. Although there are no official indicators of water charges affordability in relation to median income, the attached Report indicates international indicators suggest that a percentage greater than 2% would involve affordability challenges for people. Watercare (in accordance with its Statement of Intent) monitors customer affordability with reference to a target of being no more than 1.5% of Aucklanders' household income. WDC's percentage increases are from 3% (2024) to 3.2% (2035). In addition, our costs could be higher than this noting that our LTP predictions:

- Do not include significant stormwater expenditure that may need to occur for additional stormwater detention and increased stormwater reticulation capacity to help mitigate future flooding.
- Capital expenditure levels reduce significantly after Year 3. Is this realistic given the potential changes in our own operations that will invariably occur and potential additional compliance costs from either the water regulator (Taumata Arowai) or the new economic regulator that capital expenditure levels will reduce?

4.17 An aggregated water service model will reduce the risk of being able to deliver operationally and strategically a 3 Waters service to our community. Further to this the WWDW model indicates savings through aggregation which will improve community affordability.

4.18 Funding of 3 Waters Depreciation: In the LTP the funding of depreciation for waters asset replacement is not fully funded in the first five years. This under-funding totals \$2.1million over 5 years, with \$783,000 in 2024/25. To address this under-funding, additional rate funding was forecast from Year 6 onwards. At times, the asset replacement reserves are not sufficient to fund the planned renewals, and additional loan funding is required for the shortfall. Under an aggregated model, it is assumed that depreciation on water assets would be fully funded to ensure ratepayers now and, in the future, pick up their share of the asset replacement cost.

4.19 WORKFORCE AVAILABILITY

4.20 We have a small team of staff directly planning and delivering 3 Water services to our communities. This includes a Manager, an Engineer, an Engineering Cadet, an Environmental Technician and six staff in water plants and reticulation. In addition to this there are staff that provide administrative and information support and project and procurement support that are not directly in the 3 Waters team.

4.21 WDC struggles to recruit and retain qualified and experienced staff and also struggles to engage contractor expertise. This translates into an operational approach rather than a strategic approach to asset management, capital works delivery, consenting, planning and design, procurement, lifecycle management, risk management, and performance optimisation. As staff, we are trying to address this problem, but planning will always come second to operations unless there is skilled resource in specialist roles to do this. One of the significant concerns is that if we are not part of an aggregated 3 Waters approach in the Waikato that staff recruitment and retention will become even harder as staff are attracted to an aggregated entity that can provide better career opportunities and probably better employment terms.

4.22 The Stage 1 actions recommended in the attached WWDW Report cover this significant risk for us. It will allow for specialist resources and a regionally joined up approach to these activities while leaving the more contentious aggregation components (operational delivery, asset ownership, aggregated governance, future investment decisions and pricing) to be considered once the new entity has 'runs on the board' and there is confidence that they can deliver benefit to Waikato councils that choose to be involved.

4.23 CAPITAL WORKS DELIVERY

4.24 This topic is partially covered in the sections above, but the significant concern is that WDC has limited skills, information and capacity to plan and deliver a capital works programme that our communities need.

4.25 The capital investment projected for Waitomo District Council in the LTP 24-34 is just under \$40m. This is extremely high and far beyond our historic delivery. The future years in the LTP see reductions, but this is often because of a short-term planning time horizon.

4.26 Historically, like most councils, WDC has not delivered its capital programme, and this is one of central government's significant concerns. It is likely this situation will be worsened by:

1. A lessened ability to plan (as outlined above).
2. A difficulty in procuring contractors that will be more attracted to working for an aggregated entity with better planning systems, greater project timing certainty and a much larger capex spend.
3. A difficulty for WDC to attract qualified and experienced staff to undertake this work.

4.27 BUSINESS CONTINUITY

- 4.28 This topic in the Report relates mainly to Waikato District Council who has an immediate issue in relation to having to find a new water services provider given that Watercare has given notice to exit providing this service to them at the end of June 2026.
- 4.29 However, WDC will have significant business continuity issues with workforce and capital delivery capacity as explained above.
- 4.30 The total aggregation of water services will cause business continuity issues for WDC in terms of the size of the operation and the loss of overhead recovery.
- 4.31 Waters form 24% of our total operating costs and 26% of our total capital expenditure. \$1.67m (19%) of WDC overheads (\$8.63m) are recovered in the 3 Water activities. It is unlikely that that degree of overhead saving could be achieved so the 'stranded overheads' would need to be funded from other ratepayer activities.

Waitomo District Council	Capital Expenditure 2024-34	Operating Expenditure 2024-35
Long Term Plan 2024 -34	%	%
Roading	58.1%	35.1%
3 Waters	26.2%	23.9%
Other Activities	15.7%	41.0%
	100.0%	100.0%
Total \$m	153.2	473.7

- 4.32 Stormwater is a particular issue if the transition of waters to an aggregated entity is only water and wastewater. The delivery of technical support for this would need to be outsourced. This has been raised with CoLab as a potential provider of this service, but this could also be provided by the aggregated waters entity itself.
- 4.33 Not completely associated with business continuity but of significant risk is the quality of asset data that will be required to be moved to a new entity. Will the requirements of any potential new entity for quality be well in excess of what WDC has at the moment?
- 4.34 Does WDC have the ability to develop a WSDP, that is acceptable to DIA? This needs to be completed by July/August 2025 and will require significant amounts of work to plan and develop so that WDC can persuade DIA that WDC has a viable business and service model to meet their regulatory requirements, financial sustainability and requirements for housing growth and urban development (the latter of these is likely to be our least issue).
- 4.35 More information is coming out regarding the level of detail required in the Plan. It is likely that WDC will need support to assess our ability to achieve a successful Plan if we choose to do this on our own.
- 4.36 There is even a concern that opting into the Memorandum of Understanding as recommended in the attached WWDW paper may not be enough to meet the requirements of the WSDP. It is unlikely that a proposal for aggregation of Waikato operations, funding and assets will be in place before the need for WDC to complete its Water Service Delivery Plan.

4.37 COMPLIANCE**4.38 WATER**

- 4.39 Our Plants are generally modern and doing well, but we can have issues with certain compliance components. Future consent provisions are likely to be our largest risk.

4.40 WASTEWATER

4.41 The Benneydale WWTP meets all the current standards but under the new consent, we may propose installing a UV unit to increase the water quality further. There are examples like that at other plants where certain components can be improved but the overall plant is doing well.

4.42 STORMWATER

4.43 As above compliance with future consenting is likely to be our largest risk.

4.44 CONSENTING

4.45 WATER

4.46 Detailed below is a summary of the water consents. A full schedule is attached to this report.

Location	Activity	Expiry
Benneydale	Ground and stream water take	Apr 2031
Mokau	Water take	Sep 2026
Piopio	Water take	Aug 2023. Renewal submitted Jul 2023
Te Kuiti	Water take	Sep 2040 / Oct 2050

4.47 Consents are generally in place except for Piopio. The Mokau water take area from a farm has been better secured with an arrangement with the farmer for take and fencing out the area.

4.48 WASTEWATER

4.49 Detailed below is a summary of the wastewater consents. A full schedule is attached to this report.

Location	Activity	Expiry
Benneydale	Wastewater discharge	May 2025. Valid – Renewal being processed
Piopio	Wastewater discharge to river	Jun 2028
Te Kuiti	Wastewater discharge to river	Dec 2039
Te Waitere	Wastewater discharge to land	Jul 2042

4.50 Consents are generally in place except for Benneydale. The process to achieve this consent is progressing well.

4.51 STORMWATER

4.52 Detailed below is a summary of the wastewater consents. A full schedule is attached to this report.

Location	Activity	Expiry
Benneydale	Stormwater discharge to land and river	Jul 2024. Renewal submitted Mar 2024
Piopio	Stormwater discharge to land and river	Jul 2024. Renewal submitted Mar 2024
Te Kuiti	Stormwater discharge to land and river	Jul 2024. Renewal submitted Mar 2024
Te Waitere	Stormwater discharge to land and river	Jul 2024. Renewal submitted Mar 2024
Mokau	Stormwater discharge to land and river	Jul 2024. Renewal submitted Mar 2024
Marokopa	Stormwater discharge to land and river	Jul 2024. Renewal submitted Mar 2024
Waitomo Village	Stormwater discharge to land and river	Jul 2024. Renewal submitted Mar 2024

- 4.53 All stormwater consents are with Waikato Regional Council. WDC has not proposed anything major when a resource consent application is submitted. We may find out in 12-18 months what will be required.
- 4.54 A general comment is that there is a huge unknown as to what the future requirements of Taumata Arowai (regulator) will be in any of the 3 Waters. Therefore there is no concept of the resource and cost risk WDC faces from this.
- 4.55 Aggregation provides Waitomo District Council with an opportunity to mitigate the risks that these challenges present. Further, aggregation provides a significant opportunity for a more strategic and cost-effective approach to consenting (noting one third of all water consents in the Waikato region expire by 2030). The benefit is that there are seven councils in the Waikato River catchment who could, for example, have strategic conversations with the consent authority and Iwi partners about giving effect to Te Ture Whaimana through 'nutrient balancing' between all the wastewater treatment plants within the catchment, or potentially between Waitomo District Council's own plants.
- 4.56 The recommendation in the attached report for participating councils to take an incremental and pragmatic approach to developing a regional entity which is flexible to cater for different needs across the Region, and is equitable so that over time, everyone (i.e. each community) lowers the risk of change and allows the risks outlined in the report to be mitigated.

4.57 RESIDUAL IMPACTS ON WAITOMO DISTRICT COUNCIL

- 4.58 On a wider regional level, it is acknowledged the residual impacts of moving some functional services from some individual councils to a regional entity are unknown at this stage. However, Government policy is clear, the status quo method of delivering 3 Waters infrastructure is increasingly unaffordable and does not address New Zealand's infrastructure challenges in a sustainable manner. The pathway principles set out in the attached technical report include a principle in relation to risk, and that risks associated with aggregation (including residual risk to councils) are managed and mitigated.
- 4.59 Together, we can develop a financially sustainable model which better provides the water services infrastructure our communities and region need, and which meets regulatory requirements and Government and community expectations.
- 4.60 In the interests of efficiency, councils who are unwilling or unable to commit by mid-September 2024 to an incremental approach, and the ultimate goal of an aggregated, fully regulated water services delivery entity, should exit this workstream (noting they will continue to be informed of the work underway). It will be up to these councils to determine how they will meet the requirements of the Local Waters Done Well regime and demonstrate the commitment to deliver water services in a manner that meets the requirements of Central Government.
- 4.61 The WDDW Report recommends that the transition of WDC operating, planning for, rating and owning the 3 Waters assets may occur over a number of steps. Each step will require transition costs and impact on WDC's overheads and staffing structure. Currently, in the LTP, Year 1 staff have notionally allocated \$250,000 of funding toward the 3 Waters Transition Project. This money was transferred from the DIA 'Better-Off Funding'. There is concern that this funding may not be enough to cover transition costs. This will require more discussion in the future.

5. Analysis of Options

- 5.1 The WDDW Project Team has addressed and analysed various options in developing the project to date. As the final outcome of the project is to comply with new legislation while achieving a format that is advantageous to all councils in the region, "do nothing" is not an option.

6. Considerations

6.1 RISK

6.2 All of the identified risks associated with the proposal have been addressed throughout this business paper including the attachments.

6.3 CONSISTENCY WITH EXISTING PLANS AND POLICIES

6.4 Participating in the investigation and where advantageous to Council, participating in shared service opportunities is consistent with Council's policies and strategies.

6.5 SIGNIFICANCE AND COMMUNITY VIEWS

6.6 Participation in this project at this early stage does not trigger any concerns of significance as Council has the option to "opt out" should the project not prove to be advantageous to the Waitomo District.

7. Recommendations

7.1 The WWDW Project Team made a presentation to the Council on Tuesday 13 August 2014. Part of that presentation was the Project Team seeking Council's consideration of the following recommendations:

7.2 Recommendation 1

7.3 That the vision, outcomes and success measures be adopted in principle.

7.4 Recommendation 2

7.5 That participating Councils co-design an aggregated model that is staged by function and governed by a professional board from the outset. Stage 1 will be the establishment of an entity providing functional services to participating councils. The end point (to deliver on the vision, outcomes and success measures) is an aggregated, fully regulated water services entity.

7.6 Recommendation 3

7.7 That each member organisation formally advise the Forum chairs of their decision in relation to the recommendations by mid-September 2024. Non-participating councils will exit this workstream but will be kept informed of the work underway.

7.8 Recommendation 4

7.9 That participating councils instruct their Chief Executive to negotiate a Heads of Agreement (HoA) to bring back for their approval by the end of October 2024 (with the intention of the HoA being signed in November 2024) . The HoA will be a non-binding agreement between participating councils, entered into on a good faith basis to show a commitment to progress in the manner proposed. The framework will inform the development of more formal documentation.

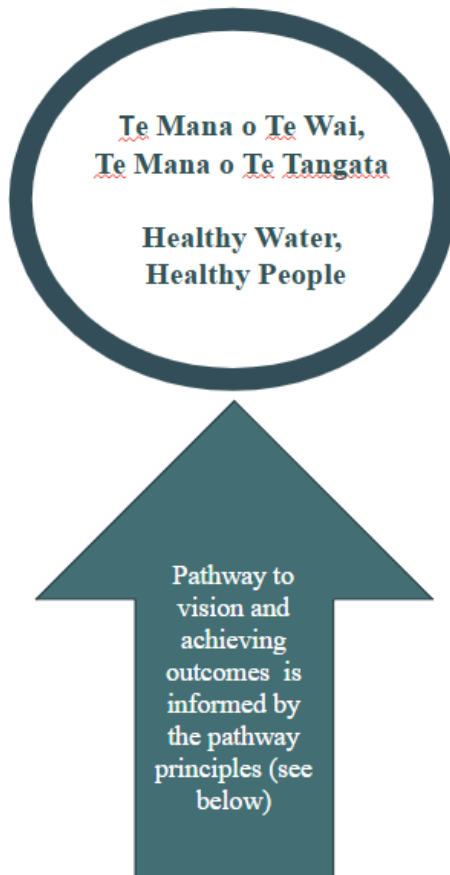
8. Attachments/Separate Enclosures

Attachments:

- 1 Strategic Framework (WWDW Vision, Outcomes and Success Measures)
- 2 Waikato Technical Report
- 3 Financial Modelling Assumptions – Waikato.
- 4 Summary Table – 3 Waters and Landfill Resource Consents

Appendix - Strategic framework

Waikato vision



Strategic Outcomes	What does success look like?
1. create scale and change to enable the significant investment required to deliver efficient and financially sustainable services that comply with regulatory requirements and enable urban development	<ul style="list-style-type: none"> • Balance sheet separation is achieved together with ability to borrow in a practical and cost-effective manner • Achieve more with the same amount of revenue
2. create the conditions to build and sustain a highly skilled, adaptable and world-leading water workforce that can innovate and collaborate to drive outcomes for Waikato	<ul style="list-style-type: none"> • Supply chain has longer-term certainty, providing confidence to invest • Specialist waters staff will be retained, protecting regional capability and enhancing future service delivery
3. be customer-focused, leveraging new technologies, while also building customer awareness of their role in the water system and the value of water	<ul style="list-style-type: none"> • Investment in systems is increased, data is <u>standardised</u>, leading to better analysis and more confident decision-making • Can demonstrate transparency and compliance • Affordable to the community
4. ensure local voice is represented in critical decision-making around water investment and management across the region, including decisions in relation to water takes and water discharges	<ul style="list-style-type: none"> • Local concerns addressed (but in a balanced matter that does not undermine balance sheet separation) • The water services model can give effect to the spatial plans of each council (noting the plan informed by strong local voice). • <u>Prioritisation</u> framework and statement of expectations (for example) capture the strong local voice heard by councils
5. meet the expectations of key partners and stakeholders including those represented in Treaty settlements and protecting public health and the environment.	<ul style="list-style-type: none"> • Treaty settlement obligations can be given effect to • Ability to invest in whole of catchment solution, supporting regional economic growth • Cost savings created through improved processes e.g. resource consents

Waikato Water Done Well

*Ki te kotahi te kākaho, ka whati; ki te
kāpuia, e kore e whati*

*A single reed is vulnerable, but a
bunch of reeds together is
unbreakable*

Kīngi Tawhiao



August 2024

Authored by:
Vaughan Payne, Sinead Hart, Rohan Matuku

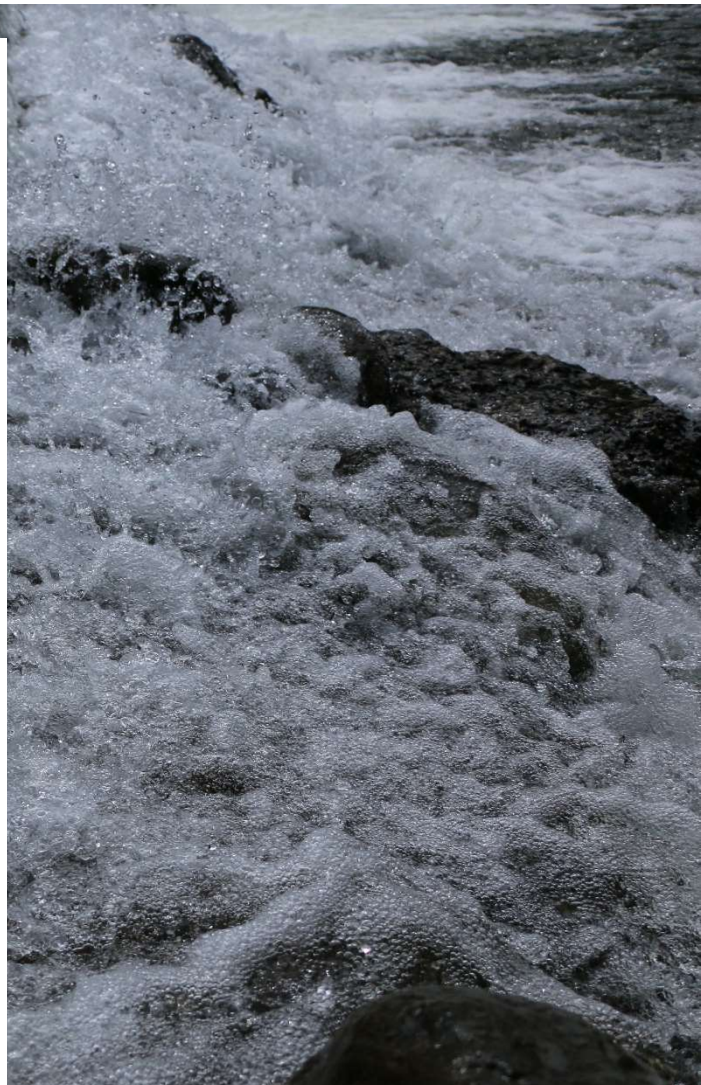


Table of Contents

1.	Introduction.....	4
2.	National context	4
2.1.	Increasing regulation	6
2.2.	Timeline Challenges.....	7
3.	Strategic direction	7
4.	Findings	8
4.1.	Local Findings.....	8
4.2.	Financial findings	12
4.3.	Local concerns ('showstoppers')	14
4.4.	Summary of findings.....	15
5.	A Way Forward	16
5.1.	A safe start.....	16
5.2.	The end point	19
6.	The transition pathway	20
6.1.	Pathway principles	20
6.2.	Stage 1 Pathway	21
6.3.	Stage 2 Pathway	21
6.4.	Timing	21
7.	Next steps	22
7.1.	Recommendations adopted.....	22
7.2.	Recommendations not adopted.....	22
	Appendix 1 - Methodology	23
	Appendix 2 - Summary of Bill#2.....	26
	Appendix 3 – Design parameters.....	29

List of Figures

- Figure 1.1 Waikato Water Done Well Roadmap
- Figure 3.1 Waikato strategic direction for water services
- Figure 4.1 Population and capital works projections
- Figure 4.2 Regional priority spend
- Figure 4.3 Efficiency savings across spatial options
- Figure 4.4 Efficiency savings across spatial options (capital works)
- Figure 4.5 Challenges to delivering levels of service
- Figure 5.1 Stage 1 Indicative Regional CCO Structure
- Figure 6.1 Overview of Transition Pathway

List of Tables

- Table 4.1 Water services drivers for each Council
- Table 4.2 Affordability across Councils 2024 and 2035
- Table 4.3 Compliance issues across Waikato Councils
- Table 5.1 Stage 1 roles and responsibilities
- Table 5.2 Needs and immediate opportunities captured at Stage 1
- Table 5.3 Needs and opportunities captured at Stage 2

1. Introduction

The Waikato is known nationally for its leadership in managing water, being courageous and innovative to ensure better long-term outcomes for Lake Taupō, the Waikato and Waipā rivers, Hauraki Coromandel rivers and Tīkapa Moana/Hauraki Gulf. Working with their Iwi partners, Waikato councils are now seeking to find a pragmatic solution to water infrastructure that, over time, meets the needs of each council, their communities and the requirements of central government.

Under the banner 'Waikato Water Done Well', the Waikato Joint Mayors and Chairs Forum (**Forum**) seeks to support individual councils to make informed decisions on the merits of aggregating water services, regionally or sub-regionally.

This report builds on the work presented to the Forum on 11 March 2024 and sets out what is being presented to councils in the context of step 5 of the Waikato collaborative roadmap (refer Figure 1.1 below) and the recommended way forward. This report should be read in conjunction with the cover report prepared for each council.



Figure 1.1 Waikato Collaborative Roadmap

We acknowledge the leadership and direction of the Chief Executive Working Party and the wider Chief Executive Forum in the development of this report and the recommended way forward. Against the national timeline and developments, extensive work has been carried out across Waikato Councils to work through the above roadmap. Details of the methodology applied in developing this report are included in Appendix 1.

2. National context

Local Water Done Well empowers local decision-making about future water services delivery but in the context of increased government oversight requirements. Local Water Done Well is being implemented in three stages:

- Stage 1** involved the repeal of all prior water services legislation with effect from 17 February 2024.
- Stage 2** is currently underway being the Local Government (Water Services Preliminary Arrangements) Bill (**Bill#2**). This was introduced into Parliament in May 2024. The Select Committee returned its report on the Bill on 18 July 2024. A summary of Bill#2 (with the proposed amendments from the Select Committee) is included in Appendix 2. The Bill is due to be passed into law in late August 2024. Key points to note are that it:

- Requires councils to submit water services delivery plans within 12 months of the Bill being passed into law (i.e. by late August 2025)
- Provides for foundation "economic regulation" through information disclosure requirements for specified entities
- Introduces a streamlined process for consulting on the establishment of a jointly owned water services council-controlled organisation (**CCO**)

Preparing water services delivery plans will require significant effort from councils. Chief Executives are currently considering how to ensure a consistent and cost-effective approach across Waikato councils who wish to adopt such an approach.

c) **Stage 3** will commence in December 2024. Bill#3 will provide the enduring settings for Local Water Done Well including:

- a comprehensive economic regulatory regime; and
- a comprehensive range of options, tools and models (service delivery models) that councils can choose from in relation to delivering water services.

Bill#3 is expected to be introduced into law by mid-2025 but the policy intent informing it was made known on 8 August 2024. Key points are that:

- All water service providers (i.e. councils or water organisations) must meet minimum requirements including;
 - i. meeting regulatory standards (economic, environmental and water quality)
 - ii. being financially sustainable
 - iii. operating within a new planning and accountability framework – this will require a water services strategy every 3 years and an annual water services report within three months of the financial year end. Information on water services will no longer form part of the long term plan even where services are kept in-house
 - iv. acting consistently with statutory objectives
- The water services delivery model choices available to councils include:
 - i. delivering water services in-house through a separate business division or unit
 - ii. establishing a wholly owned water organisation
 - iii. establishing a joint arrangement with other councils, including a water organisation that is owned by three or more councils or owned wholly or partly by a consumer trust
 - iv. councils design alternative arrangements that meet the minimum requirements
- Additional requirements for any water organisation are that:
 - i. it must be a company (subject to exemption)
 - ii. its activities must be limited to providing water services (subject to exemption)
 - iii. it can only be owned by councils or consumer trusts
 - iv. it must have restrictions against privatisation
 - v. Board appointments must be competency based but with no council staff or elected members on the board
 - vi. shareholders must prepare a statement of expectations at least every three years (must include information on strategic priorities and specific requirements / obligations that relate to Treaty settlements or other arrangements in place with local Iwi).

A large amount of the narrative around the service delivery options has focused on debt capacity as this is a key driver for growth councils. The need to set up an individual council CCO for debt funding purposes is often confused with the need to establish an aggregated waters services organisation (or CCO) that can provide relief for the issues raised in this report, not just an individual council's need for increased borrowing.

2.1. Increasing regulation

Bill#3 will provide for comprehensive economic regulation and consumer protection, with the regulator being the Commerce Commission. The Commerce Commission will have a range of regulatory tools, including mandatory information disclosure, designed to promote efficient practices and protections for consumers. The first focus of the Commerce Commission is stated to be monitoring whether sufficient revenue is being collected by water service providers for their investment needs. These initial requirements for information disclosure are expected to be set six months after the commencement of legislation (by early 2026).

The effect of the above is that water services is moving to whole of system regulation rather than the current 'end of pipe' regulation. Simply put:

- a) The taking of water and discharge of wastewater and stormwater (end of pipe) will continue to be regulated (Regional Council) and, in the Waikato context, must align with existing Treaty settlements requiring improved freshwater outcomes
- b) Drinking water and wastewater treatment will become more heavily regulated (Taumata Arowai) (but Taumata Arowai taking a proportionate, cost effective and efficient approach in its functions and duties)
- c) Infrastructure and service quality standards can be introduced covering investment in network and treatment plants - whether over investment or under investment (including requiring action to be taken to improve performance) (Commerce Commission)
- d) The cost of providing water services will be regulated through mandatory information disclosure requirements imposed on water services providers and scrutiny of the price charged to end users (Commerce Commission).

The Commerce Commissioner will also have regulatory tools to set revenue thresholds (minimum and maximum) and monitor and enforce financial ring-fencing. Depending on performance, it may also be given power (for specific providers) to place limits on revenue, similar to price quality regulation that applies in the electricity market. Under the new regulatory regime, planning and building infrastructure based on perceptions of what is acceptable to ratepayers will not be sustainable.

Councils will need to adapt their water services business to meet the above requirements. This will require significant investment to demonstrate compliance through robust data and asset management systems.

The importance of data to demonstrate performance and compliance, and ensure risks are being appropriately managed, is highlighted by the most recent Taumata Arowai report released on 27 June 2024. The findings in this are that the quality of data (particularly for network performance) and completeness of reporting needs to improve so that Taumata Arowai can understand whether risks are being appropriately managed, and sector performance is improving over time. The report also notes a lack of information about networks is likely to impact the ability of operators to properly manage the relevant networks. It notes this is likely to result in an increase in safety risks and costs because operators are more likely to be undertaking reactive maintenance than planning for, and investing in, resilient networks.

2.2. Timeline challenges

Water services delivery plans require councils to state their proposed model and implementation plan for delivering water services by August 2025. The policy intent explaining the available options, tools and models has been announced but the legislation will only be passed into law a few months before the submission date for the water services delivery plans (mid-2025).

Similarly, Bill#2 requires financial sustainability by 30 June 2028. This includes meeting regulatory requirements, which will include the comprehensive economic regulation regime that will only be passed into law in mid-2025.

Councils may not be able to make a final decision about the end model now. But there is sufficient information for councils to start addressing immediate risks and opportunities.

3. Strategic direction

To ensure clarity on the desired end point, **council members are asked to approve in principle the strategic direction for Waikato water services in the long term** (being through at least a 10-to-15-year lens). To this end, the following strategic framework is recommended.



Figure 3.1 Waikato strategic direction for water services

4. Findings

4.1. Local findings

The Waikato comprises diverse councils, communities and needs. Table 4.1 summarises the water services drivers of each council as assessed by each council's Chief Executive.

Council / key problem	Debt capacity	Community affordability	Workforce availability	Capital works delivery	Business continuity	Compliance	Consenting
Hamilton	✓	✓	✓				✓
Waikato	✓	✓	✓	✓	✓	✓	✓
Waipā	✓	✓					
Taupō		✓	✓	✓		✓	✓
Thames-Coromandel				✓		✓	
Matamata-Piako			✓	✓		✓	✓
Hauraki		✓	✓	✓	✓	✓	✓
South Waikato		✓	✓	✓		✓	✓
Waitomo		✓	✓	✓		✓	
Ōtorohanga			✓	✓		✓	✓

Table 4.1 Water services drivers for each Council

The following paragraphs summarise each need as it relates to councils, individually or collectively.

4.1.1. Debt capacity

Growth councils have an immediate need to access increased borrowing to support growth. Of the councils in the Waikato, three have identified this as a key driver for change. For other councils, while debt capacity is not a driver currently, a significant amount of their debt headroom is taken up by waters. This limits their ability to borrow for other community initiatives.

4.1.2. Community affordability

Seven of the 10 councils in the Waikato have identified community affordability as an issue (whether now or in the future). LTPs point to significant increases in revenue being required to meet future infrastructure investment and regulatory requirements. In just three years, there have been significant increases in projected expenditure between the LTP21 and LTP24 (refer Figure 4.1 below). In respect of rates revenue and development contributions, such increases are being balanced against what is deemed to be affordable to customers.

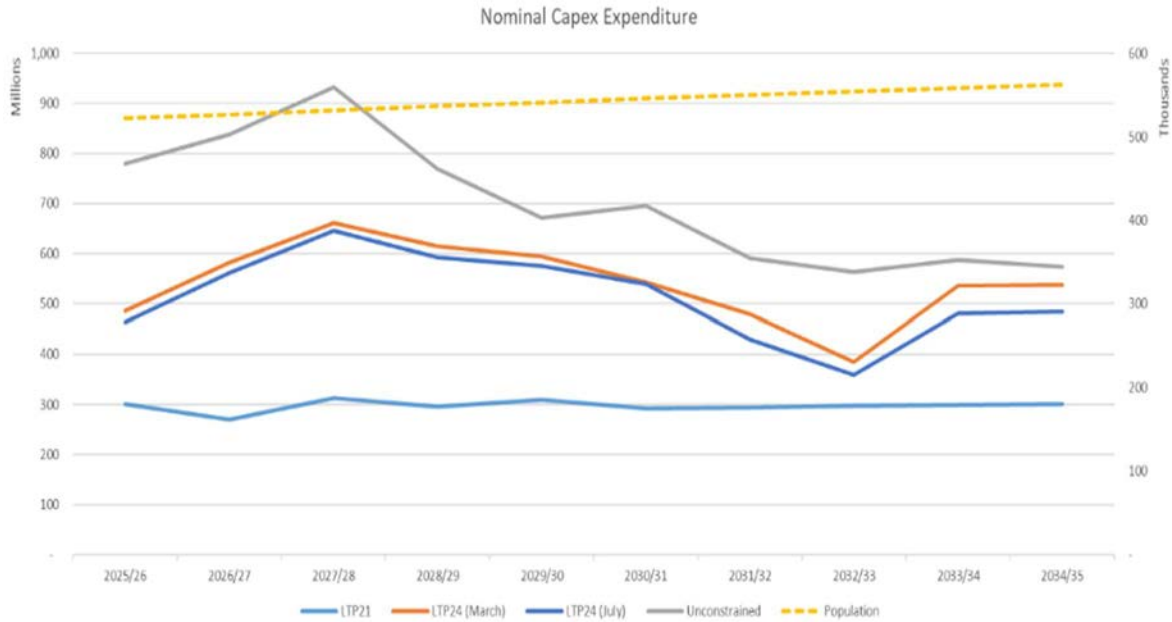


Figure 4.1 Population and capital works projections

Chief Executives were asked to rate how confident they are that their LTP24 reflects the future investment needs of their council, particularly in relation to supporting growth through capital expenditure. In response, all Chief Executives rated their confidence as being between medium to high, with the majority being close to very high.

There is no official definition of unaffordable water in New Zealand, but indicators suggest that there is an affordability challenge if water services are more than 2% of household income. Taking this measure, some Waikato communities increasingly face unaffordable water services. It should be noted that Watercare adopt a lower measure of 1.5% and other councils such as Thames Coromandel have adopted a higher measure of 2.5%.

Table 4.2 below has been completed based on:

- revised FY24 and FY35 water charges from Councils
- 2024 household average incomes from Infometrics (excluding Matamata-Piako and Waitomo which are unavailable); and
- 2035 household average income based on an annual 4.81% increase (which is the output of earlier DIA work)

The figures in Table 4.2 are likely to be conservative as in some LTPs, Councils say they will limit average 10-year rate increases for affordability (e.g. to 6% on average). This results in high increases in years 1 -3 and lower increases in the outer years to make the average work, thus understating the likely increases needed for the outer years. This pattern is reinforced by Figure 4.1 above.

Council	2024 Average Water Charges	2024 Mean Household Income	2024 Affordability	2035 Average Water Charges	2035 Mean Household Income	2035 Affordability
Hamilton	1,589	\$122,485	1.3%	5,281	\$195,968	2.7%
Hauraki	1,714	\$93,971	1.8%	4,860	\$150,348	3.2%
Matamata-Piako	1,539	\$106,012	1.5%	2,193	\$169,613	1.3%
Ōtorohanga	974	\$105,383	0.9%	1,652	\$168,606	1.0%
South Waikato	1,613	\$108,224	1.5%	2,337	\$173,152	1.3%
Taupō	1,655	\$110,702	1.5%	3,350	\$177,116	1.9%
Thames Coromandel	1,890	\$79,530	2.4%	3,049	\$127,243	2.4%
Waikato	2,310	\$129,602	1.8%	7,921	\$207,355	3.8%
Waipā	2,021	\$120,903	1.7%	3,470	\$193,437	1.8%
Waitomo	2,651	\$89,164	3.0%	4,634	\$142,657	3.2%

Table 4.2 Affordability across Councils 2024 and 2035

4.1.3. Workforce (staff and suppliers)

Critical waters staff and contractors report being under pressure given the ageing workforce, competition (from other potential employers including offshore) and an environment of ongoing uncertainty. Smaller councils, where operations can be highly dependent on a few individuals, are at risk of staff recruitment/retention. Civil construction contractors must also deal with the peaks and troughs in workflow that arise from each council's LTP capital works programmes. Their ability to deliver is increasingly challenged given their current state resources. They advise it will take 2-3 years to gear up for programmes bigger than what is currently in the market.

4.1.4. Capital works delivery

The investment needs of councils vary, but the regional priorities by expenditure are summed up by the following diagram in order of priority of spend:



Figure 4.2 Regional priority spend

In terms of asset condition, overall:

- Less than half (44%) of wastewater networks are rated as average or better
- On average 20% (11 Olympic sized swimming pools) of treated water is lost per day before it reaches customers

- c) Over the last decade, Waikato councils have been able to progressively increase their capacity to deliver capital work programmes. In the three years ending 20/21, an average of 78% of actual capex budgets was spent. More recent reports on capex budgets versus actual spend indicate this gap continues to close. However, we need to be mindful of the role recent significant inflationary pressures play in closing this financial gap i.e. an increase in spend does not necessarily equate to a proportional increase in programme delivery. According to Infometrics, water services infrastructure is estimated to cost 30% more to build than three years ago.
- d) Figure 4.1 above demonstrates that the amount of capital works being projected is decreasing despite population growth increasing. A large gap continues between the investment in capital works provided for in LTPs and the investment that staff say is necessary (refer to 'unconstrained' line in Figure 4.1).
- e) The key challenge for many councils is getting the work done. The reasons for under delivering on the LTP programmes are generally due to:
 - Resourcing - availability of appropriately skilled internal and external resources
 - Procurement - supply chain management, lead-in time for materials, tendering and approvals, stakeholder agreement
 - Project life cycle management – resource consent delays, business case approvals, scheduling, land purchases associated with developer led timelines, incorrect investment appraisals, unforeseen technical issues.

4.1.5. Business continuity

Waikato District Council's contract with Watercare will terminate at the end of June 2026. Waikato District Council is now assessing alternative options for delivering water services to its ratepayers from 1 July 2026. It must have certainty on how it will provide services (or the tender process it will engage in to procure services) by November 2024. The benefits of the Watercare arrangement have included improved service levels, delivery of capital projects, innovation and new ideas, and sharper procurement. This is a pointer to what may be achieved through aggregation in the Waikato.

4.1.6. Compliance

Complying with regulations and resource consents is a basic expectation.

- a) **Drinking water:** except for Hamilton and Waipā, all councils had supplies without protozoa or bacteria barriers or residual disinfection in the 2023/24 year.
- b) **Water supplies:** except for Taupō, Waipā, Hamilton and Waikato, there were moderate to significant non-compliance issues with water takes.
- c) **Wastewater:** except for Waipā and Hamilton, there were moderate to significant non-compliance issues with wastewater discharges.
- d) **Stormwater:** except for Taupō, Waipā, Waitomo and Hamilton, there were moderate to significant non-compliance issues with stormwater discharges.

Council	Waikato Regional Council ¹			Taumata Arowai ²	Summary
	Water	Wastewater	Stormwater		
Thames Coromandel	2	2	9	✓	✓
Hauraki	1	5	4		✓
Matamata-Piako	2	4	4	✓	✓
Taupō		3		✓	✓
South Waikato	1	2	1		✓
Waitomo	2	3			✓
Ōtorohanga	2	1	2	✓	✓
Waipā					
Hamilton					
Waikato		6	6		✓

Table 4.3 Compliance issues across Waikato Councils

Chief Executives were asked to rate how confident they are that their LTP24 reflects the future investment needs of their council to meet future regulatory requirements (including fees payable to regulators). In response, all Chief Executives rated their confidence as being between medium to high, the majority being highly confident.

4.1.7. Consenting

Almost one third of all consents are due to expire within the next six years (2030). From this group, 44 are related to wastewater discharge and 72 are associated with water abstraction. Within the next 10 years there are at least 30 moderate to high-risk consents that need renewing.

4.2. Financial findings

Financially, not all councils need a CCO at this time, but all can benefit. Over the next decade, a majority of Waikato households will face significant rate increases under the status quo. The proposed water rate increases and affordability impacts are included in Table 4.2 above.

4.2.1. Modelling

The financial modelling shows that aggregation requires less revenue than a standalone scenario to achieve the same outcomes. The decision-making body of any aggregated model can then determine whether the savings can be applied to reducing rates for customers or reinvestment in assets.

Across Waikato councils LTP24s indicate circa \$7.5 billion is budgeted to be invested in three waters over the next decade alone. Of this, nearly \$5 billion relates to capital works. Some further capital commitments were recommended to councils but were not included in the final 10-year budgets, largely because of affordability

¹ Number of 'regimes' with moderate to significant non-compliance in 23/24 year. WRC only recorded Hauraki, Matamata Piako, South Waikato and Waikato councils as having significant non-compliance over the last year

² Have supplies without protozoa or bacteria barriers or no residual disinfection in the 23/24 year

concerns. While the scope of capital works programmes may be reviewed once there is clarity on the national standard being developed for wastewater discharge, even with a 20% reduction, the scope of the programme remains significant. As noted earlier, the Waikato has unique Treaty settlements requiring improved freshwater outcomes which will also be relevant in informing capital works programmes.

There are multiple independent reports over the last decade (or more) that have been commissioned at a national and local level which show three waters can be delivered more cost-effectively if councils leveraged scale. In the context of comparing rates across councils in a standalone position versus in an aggregated mode, this has proved difficult based on LTP data as councils collect revenue differently. Therefore, the comparison is not like with like, or kina with kina. Because of this, efficiency savings have been used as the metric to measure the benefits of aggregation across the requested spatial options. With the inclusion of approximately \$100m additional spending in the model spread over 10 years to help drive efficiencies (spend to save), the efficiency savings set out in Figure 4.3 are projected in each of the spatial options identified over 10 years, with this being around \$338 million in a regional fully aggregated water organisation. This is based on a very conservative assumption of about 1% per annum efficiency target across all expenditure. The modelling shows that by FY34, efficiency savings is approximately 10% of projected spending, growing to 15% over the subsequent 8 years.

The assumption of 1% is conservative when compared with the 5% per year assumption that is included in other independent reports and with the 4% per annum efficiency target set for Watercare by its Board.



Figure 4.3 Efficiency savings across spatial options (fully aggregated)

The main driver of the efficiency savings relates to capital works planning and delivery, being \$185 million. Applying the same efficiency target of 1% to the projected capital expenditure for the different spatial options results in the projected efficiency savings in Figure 4.4 below.



Figure 4.4 Efficiency savings across spatial options (capital works)

4.2.2. Borrowing

The current model of borrowing through the Local Government Funding Agency (**LGFA**) is cost-effective and practical for councils and CCOs (that can borrow). Council backing is required for LGFA to provide funding to any water organisation established. Any model adopted in the Waikato should be designed to retain the ability to borrow through LGFA.

The service delivery options choices announced in August 2024 are:

- a) In-house (business unit or division)
- b) Single council owned water organisation
- c) Multi-council owned water organisation
- d) Mixed council / consumer trust owned
- e) Consumer trust owned

Councils are free to choose alternative arrangements subject to meeting the minimum requirements relating to regulatory requirements and being financially sustainable. From a borrowing perspective, the position is:

- a) High-growth councils may be able to borrow up to 350% revenue (subject to LGFA AGM in October 2024 and applications on a bespoke basis).
- b) A single council owned water organisation will be able to borrow up to 500% revenue (subject to prudent credit criteria and parent council financial support). This borrowing will be separate from the parent(s) council borrowing.
- c) A multi-council owned water organisation will be able to borrow up to 500% revenue (subject to prudent credit criteria and parent councils financial support). This borrowing will be separate from the parent(s) council borrowing.
- d) A multi-council owned water organisation without council guarantee or any water organisation that is not wholly owned by councils, will not be able to borrow through LGFA (in the short term in any event). Accordingly, these are not practical options for now.

Based on the guidance issued by DIA, any water services organisation needs to be a company. This, together with the need to obtain borrowing from LGFA, points to a limited liability company that is owned by all those councils who wish to aggregate as the recommended vehicle.

4.3. Local concerns ('showstoppers')

A significant effort has been made to identify local concerns for each council that need to be addressed in any future model. Local concerns are generally over and above financial considerations. Examples of local concerns include:

- a) Local voice and influence
- b) Prioritisation of local needs
- c) Meeting Treaty settlement obligations
- d) Asset ownership

All the showstoppers can be addressed as part of the proposed pathway forward (an aggregated model, staged by function over time). However, the way local concerns are addressed in the 'end point' model must align with the minimum requirements that will be set by legislation, including the additional requirements for a water services organisation. Again, as noted above, these requirements include that the water organisation:

- a) have no staff or elected members on board
- b) be a company
- c) be limited to water services activity
- d) be owned by a council and / or a consumer trust (for the reasons set out under borrowing above, a consumer trust is not a practical or cost-effective option in the Waikato)
- e) have a Board appointed on competency
- f) have restrictions against privatisation

In short, leadership will be required to balance local concerns into the design of a water organisation that meets the minimum requirements. The end model design parameters to achieve this balance are included in **Appendix 3**.

Summary of findings

The interconnection between all the above challenges and findings is summarised in Figure 4.5 below.



Figure 4.5 Challenges to delivering levels of service

Affordability is a key consideration of every council. This determines the level of revenue gathered from ratepayers, developers and so on. In turn, this determines how much can be borrowed under a council's debt to revenue policy. The overall funding envelope will determine the extent of a council's financial ability to meet compliance requirements, and to also address investment needs, whether they relate to growth, levels of service, resource consents and/or renewals. Whether a council has financial constraints or not, it must have access to a skilled and capable workforce (internal and external) to have confidence it can and will deliver services to the requisite level.

A way forward

4.4. A safe start

Not all councils need a fully aggregated water organisation now, but it is highly likely all councils and communities will need and benefit from one at some point.

Councils with debt as a driver are motivated to move faster. However, increasing debt capacity is not the only challenge these councils face. While debt capacity may be increased by these councils having their debt to revenue ratio increased to 350% (as is to be proposed at the LGFA October AGM) and / or establishing a single council owned water organisation (refer to as a standalone local CCO in Figure 5.1 below), this in isolation will not unlock the collective benefits projected in the financial modelling and the non-financial opportunities set out in section 5.1.2 below. Furthermore, the cost of the intended borrowing will need to be considered as part of assessing affordability to ratepayers / consumers. As noted above, multiple reports over multiple years show there are benefits to be unlocked by aggregating water infrastructure. All communities will benefit at different stages and so, over time, everyone wins.

If councils accept aggregation and scale provide the ability to collectively address the challenges they face, then the question is not whether to aggregate but rather what is the process that gives councils a safe pathway towards an aggregated model.

Previous government reform and other attempts at establishing fully aggregated water services entities in a non-incremental manner have been unsuccessful. This is largely due to what we have identified as 'showstoppers' or the local concerns, as set out in section 4.3 above. While 'showstoppers' can be addressed as part of the pathway forward, strong leadership (by both governance and management) will be necessary to balance such concerns while achieving the benefits of aggregation.

In addition, we understand that councils will not be prepared to make a firm commitment on the final form of any fully aggregated entity until there is further clarity on the applicable legislation, tools and options. However, doing nothing is not a cost-effective option. There is an opportunity now for councils to take a first, sensible and 'no-regret' step towards unlocking the opportunities of a joined-up approach to water infrastructure.

Based on the above, it is recommended Waikato councils consider and adopt an incremental model now that:

- a) positions them to leverage immediate opportunities for their communities and unlock some benefits in the short-term
- b) gets councils as far along the road to the vision and achieving the strategic outcomes as practicable at this time and
 - a) has a built-in process that enables the model to evolve to meet councils' future long-term needs and respond to legislation as it develops.

To this end, it is recommended councils co-design an aggregated model that is staged by function and governed by a professional board from the outset. Stage 1 is a short-term solution involving the establishment of an entity that provides functional services to participating councils (a jointly owned contracting model). However, the pre-agreed end point (Stage 2) is an aggregated fully regulated water services entity.

Details of each stage are included below.

4.4.1. Stage 1 Description

Stage 1 of the staged aggregated model is the establishment of an entity that provides functional services to participating councils.

Key components of Stage 1 are:

- a) Councils agree on the long-term end point to achieve the strategic direction, being a fully regulated regional entity (referred to as a multi-owned council water organisation in more recent guidance), co-designed by councils in accordance with agreed design parameters set out in Appendix 3 (as updated to reflect the legislative requirements for any water organisation)
- b) The entity formed at Stage 1 will be jointly and equally owned by all participating councils
- c) The functional services (asset management, capital works delivery, consenting, project planning and design, procurement) will be provided to councils under the terms of a services agreement
- d) Councils will retain the role of water service provider (and so will remain the regulated provider)
- e) Councils retain decision-making in relation to price setting, ownership of assets and investment priorities

A regional entity established under Stage 1 will not achieve balance sheet separation on its own. Growth councils who need additional debt capacity now could achieve balance sheet separation under Stage 1 through a standalone local CCO, while remaining a participant in the regional model and working collaboratively to achieve the long-term end point. The expectation would be for the operations of each local CCO to merge into the fully regulated regional entity at the time Stage 2 is implemented.

The roles and responsibilities at Stage 1 are identified in Table 5.1 below.

Responsibility	Council (or local CCO)	Regional CCO
Assets ownership	✓	X
Prices / tariffs– entitlement to revenue, set prices, billing	✓	X
Funding sources / mechanisms - ability to borrow	✓	X
Decision re investments in service area	✓	X
Regulated entity – accountable and liable compliance and consenting (including economic regulatory compliance)	✓	X
Operations	✓	X
Capital works delivery	Monitor Services agreement	✓
Programme management		✓
Procurement		✓
Consenting		✓
Project planning and design		✓
Asset management		✓
Education and training		✓

Table 5.1 Stage 1 roles and responsibilities

Figure 5.1 provides an indicative structure for the regional CCO, including how a local CCO could fit within a regional model at Stage 1.

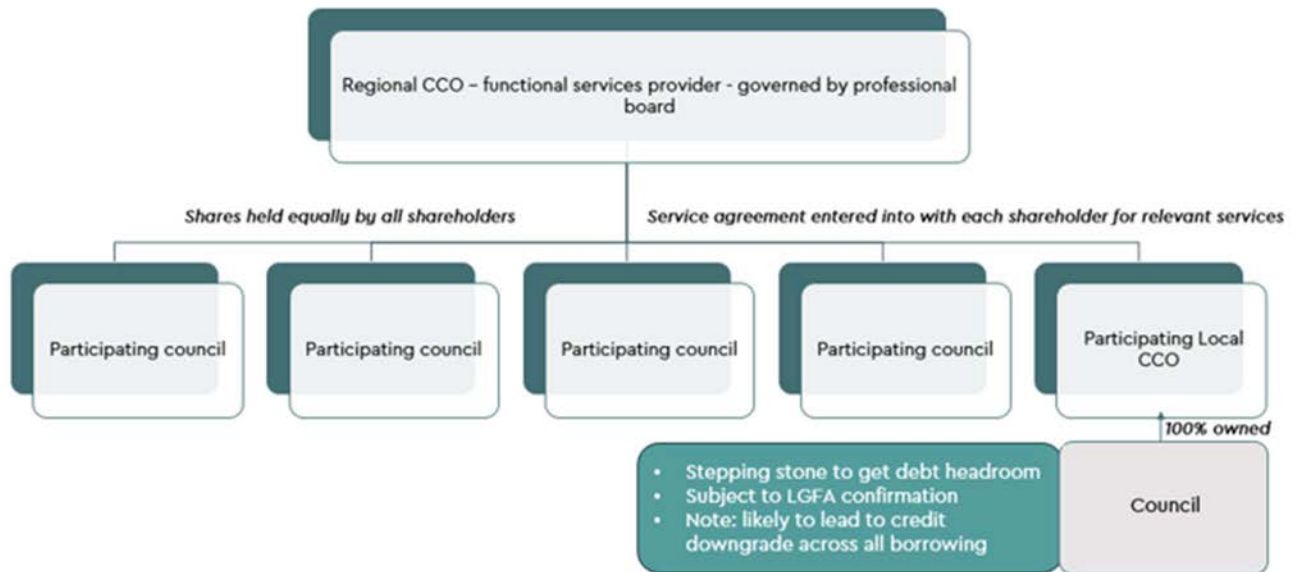


Figure 5.1 Stage 1 Indicative Regional CCO Structure

4.4.2. Stage 1 Opportunities

Stage 1 will not unlock all the benefits of aggregating water infrastructure but there are significant benefits that can be obtained without councils having to address any of the local concerns (showstoppers) at this point.

Table 5.2 lists the immediate needs of the Waikato in relation to water services and how Stage 1 can capture these opportunities. The potential efficiency savings from a combined approach to capital works is addressed at section 4.2.1; based on a 1% per annum efficiency target, this projects a potential \$185 million in savings over 10 years across the Waikato region. Again, this efficiency target is considered to be conservative.

Need	Immediate opportunity
A stronger workforce	<ul style="list-style-type: none"> To rebuild, develop, retain a highly skilled and adaptable workforce with clear career paths in the water industry
Deliver capital works more efficiently and cost effectively	<ul style="list-style-type: none"> To strengthen capital works delivery by having a single team focused delivering projects on time and in budget To provide supply chain with certainty of pipeline and enable supply chain management To smooth costs as councils not competing for same resources
Improve resilience and compliance	<ul style="list-style-type: none"> For infrastructure to be planned and developed in a more resilient manner through a single AMP informed by a single strategic AMP
Smarter consenting	<ul style="list-style-type: none"> To evolve from council boundary, ad hoc consent applications to strategic integrated investment planning that take a whole of catchment approach, and looks to whole of river health

Need	Immediate opportunity
Better data to make better decisions	<ul style="list-style-type: none"> To have a consolidated system capturing standardised data and supporting improved decision-making, effective prioritisation, proactive maintenance and capital works planning. This would address the risk identified by Taumata Arowai about network providers and the need for quality of data (particularly for network performance) and completeness of reporting needing to improve
Focused Governance	<ul style="list-style-type: none"> Consistency of governance where a professional board of directors is appointed and is focused on (and accountable for) creating efficiency and delivery

Table 5.2 Needs and immediate opportunities captured at Stage 1

4.5. The end point

Any staged model must provide clarity on the long-term (5/10/15 year) end point councils collectively want to reach. The end point which aligns with the strategic direction adopted by participating councils (refer section 3 above) is a regulated regional water organisation, co-designed by councils in accordance with agreed design parameters (refer Appendix 3 as amended to reflect proposed legislative requirements).

4.5.1. Stage 2 Description

To achieve the strategic outcomes, the (end point) regional entity must be able to borrow in its own name and so must:

- have an independent professional board
- have control of waters services assets³
- be able to make decisions about investments⁴
- be able to set the price and tariff structures for water services across the service area in accordance with pricing principles set by participating councils. Balance sheet separation will only be unlocked if the entity is entitled to the revenue from water services.

Appendix 3 further sets out the design parameters for the end point fully regulated entity.

Councils may need to move into a fully regulated end point at different times and so the design of the end point can provide flexibility for this (subject to there being sufficient scale to go live).

4.5.2. Stage 2 Opportunities

Stage 2 seeks to extend the benefits captured during Stage 1 by developing an aggregated model that is positioned to achieve the outcomes (as demonstrated by the success measures) set out in the strategic framework at Section 3 to this report. For residual councils, the following needs will also be met:

³ The ownership of assets is a matter that will be addressed once there is clarity on the options that will be made available to councils via legislation.

⁴ Having regard to a prioritization framework pre-approved by participating councils and a statement of expectations

Need	Long term opportunity
Removing water debt from council balance sheet	<ul style="list-style-type: none"> Where balance sheet separation is achieved, the increased borrowing will reduce the need for increased revenue from customers. From a council perspective, it will also open up balance sheet capacity within the council for its residual activities
Preparing for economic regulation	<ul style="list-style-type: none"> Providing councils with a ring-fencing solution in terms of water services activity. Enables councils to prepare for economic regulation by removing water services from their main business and transferring into an organisation designed to respond to regulatory requirements.

Table 5.3 Needs and opportunities captured at Stage 2

5. The transition pathway

5.1. Pathway principles

The proposed principles that will inform the pathway to implement the strategic direction are:

- Sustainability:** focusing on long term financial and non-financial benefits
- Pragmatic:** balanced and pragmatic approach to reach end goal
- Simplicity:** people understand what is proposed and why
- Flexibility:** design and timing are flexible to cater for different needs
- Commercial robustness:** independent professional board accountable to shareholders and clarity as to respective roles
- Equitable:** everyone wins at some stage
- Cost effective:** choices made that are the most cost effective
- Risk:** risks associated with aggregation (including residual risk to councils) are managed and mitigated

Figure 6.1 summarises the application of these principles to stages 1 and 2.

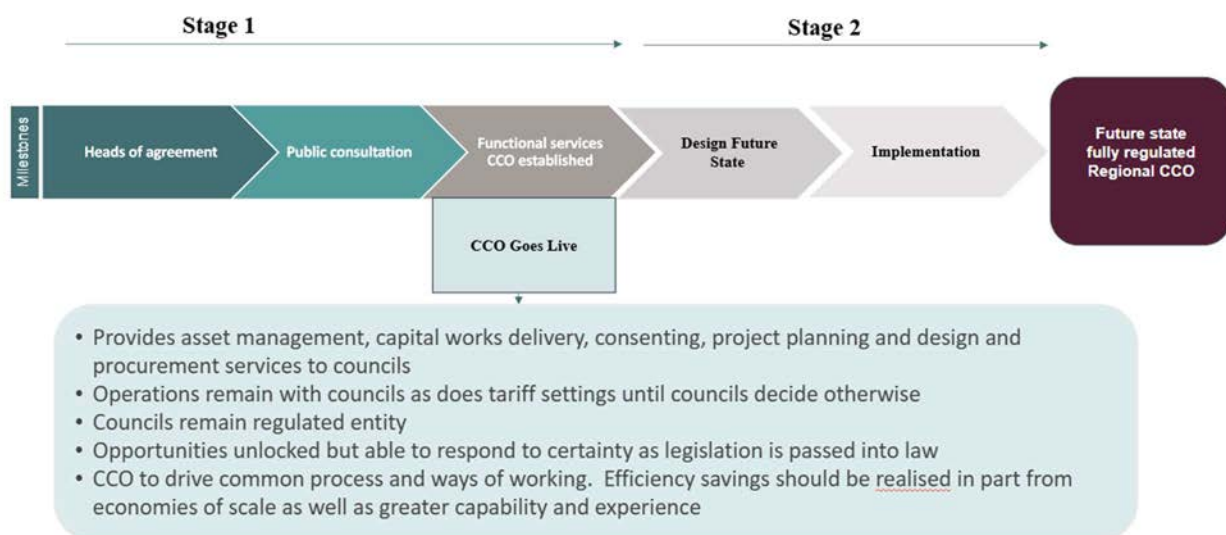


Figure 6.1 Overview of Transition Pathway

5.2. Stage 1 pathway

The first step to implementing Stage 1 is through a Heads of Agreement entered into by participating councils setting out the key terms of the relevant governance documentation. To ensure the detail required for the transition from current state to a functional services aggregated entity is captured and agreed (including managing risk to the residual business of council), it is recommended Chief Executives be given a mandate to commence negotiating a Heads of Agreement now.

The Heads of Agreement will be a non-binding agreement between participating councils, entered into in good faith to show a commitment to progress in the manner proposed. The content of the Heads of Agreement will include:

- a) identifying the key governance documents (constitution, shareholders' agreement, letter/statement of expectations) and the key terms to be covered in those documents e.g. share allocation, voting rights and board appointment process
- b) steps necessary to establish the Stage 1 functional services aggregated entity
- c) roles and responsibilities between councils and aggregated entity and decision-making framework
- d) consultation process to be adopted (i.e. whether new streamlined consultation process to be used)
- e) transition pathway for evolving into the Stage 2 fully regulated aggregated entity (including any applicable conditions) e.g. process for Board to develop an establishment plan for a fully regulated aggregated entity,
- f) key matters on which shareholder approval to be obtained for Stage 2 e.g. process principles for developing establishment plan, pricing principles, prioritisation framework, any share reallocation if assets are to transfer at the 'end point'
- g) any exit ramps if a council no longer wishes to be a participating council after the formal governance documentation has been adopted

The agreed framework will inform the development of more formal documentation. Councils that do not enter wish to be participating councils at the Heads of Agreement stage will exit this workstream but will be kept updated on the development of the Heads of Agreement.

5.3. Stage 2 pathway

The pathway to Stage 2 will be embedded in the design of the staged model. This will be achieved through the governance documentation developed during Stage 1. These documents will empower a professional board to develop an establishment plan for a fit-for-purpose organisation that gets councils to the 'end point'. At this time (which will be after mid-2025) legislation will be in place to inform the Board's establishment plan. This plan will need approval from the shareholding councils based on the process set out in the relevant documentation.

5.4. Timing

For the sake of waters staff, it is important to maintain momentum. Uncertainty created by various reforms has gone on for too long. This report has outlined pragmatic steps that can be taken now on a no regrets basis. What is proposed enables current needs to be addressed while having the flexibility to adapt as we get legislative certainty.

To retain Waikato District Council as a participant in the functional services aggregated entity, Waikato District Council has advised it needs a good faith commitment from councils as to the establishment of a stage 1 aggregated entity by November 2024. This will allow Waikato District Council sufficient time to put alternative arrangements in place before expiry of its contract with Watercare (end of June 2026).

Considering this, and balancing with the requirement of water services delivery plans to be submitted by August 2025 (subject to extensions of time in limited circumstances), the indicative timing for Stage 1 and Stage 2 development is as follows:

- a) **November 2024:** non-binding good faith Heads of Agreement in place
- b) **Q1 2025:** governance documentation is approved and adopted by participating councils
- c) **Q2 2025:** Stage 1 functional services entity established, establishment board and establishment Chief Executive in place
- d) **Post Q2 2025:** The timeframe for agreement of the establishment plan for Stage 2 will be a matter for shareholding councils to agree between themselves (in conjunction with the Board) as will the timeframe for the implementation of that plan.

The above timeline enables participating councils to manage and respond to the timeline challenges set out in section 2.2 above.

6. Next steps

6.1. Recommendations adopted

If the recommendations are adopted:

- a) A Heads of Agreement will be negotiated and brought back to the council for approval before the end of October 2024. The Heads of Agreement is intended to be a non-binding document.
- b) Formal commitment to Stage 1 will only occur when the governance documentation is approved and adopted by a participating council (likely to be by the end of Q1 2025). The process to design and develop Stage 2 will be embedded in the governance documentation, together with any exit ramps agreed by the shareholding councils.

6.2. Recommendations not adopted

If the recommendations are not adopted, and a council does not approve of being a participating council in the proposed aggregated model, it will exit the Waikato Water Done Well workstream but be kept informed of the work underway.

Appendix 1 - Methodology

1. The focus of the work undertaken for Waikato Water Done Well has been on:
 - a) potential spatial options for aggregation
 - b) “showstoppers” (a summary of the concerns raised by Forum members in relation to an aggregated entity)
2. Following a meeting of the Joint Forum on 11 March 2024, it was agreed that:
 - a) further work would be carried out on the spatial options, including a workshop with key Council staff to test the outputs from the financial modelling
 - b) developing design parameters to address the “showstoppers”
 - c) a proposal be submitted to the Forum on 22 July 2024
3. Since March 2024 numerous meetings have been held to move through steps 3 and 4 of the Waikato collaborative roadmap. This has been at a time when resources are already stretched, reflecting a strong desire across the region to arrive at the right pathway forward.
4. Council representatives of the Forum attended a briefing with the Local Government Minister Simeon Brown on 12 June 2024. At this, the Minister personally confirmed to the Forum that the government is looking for a more joined-up approach to three waters delivery, including in the Waikato.

Step 3 of roadmap - Financial assessment

5. The process informing the Waikato financial modelling undertaken at step 3 of the roadmap is set out below.

Spatial options

6. Based on feedback, the scope of the spatial options was increased to include the whole Waikato (excluding HCC) option. Accordingly, the four spatial options are:
 - a) Whole of Waikato
 - b) Waikato river catchment
 - c) Hauraki Coromandel catchment
 - d) Whole of Waikato (excluding HCC)

Vehicle options

7. Key requirements to achieve the strategic outcomes are that the end entity is one that can achieve balance sheet separation from councils and, in the short term, can borrow through the Local Government Funding Agency (**LGFA**). As LGFA can only lend to councils and CCOs, the entity will need to be a form of CCO that can access borrowing through LGFA and retain the current cost of borrowing.
8. The service delivery options that announced by the Department of Internal Affairs in August 2024 are:
 - a) In-house (business unit or division)
 - b) Single council owned water organisation
 - c) Multi-council owned water organisation
 - d) Mixed council / consumer trust owned

- e) Consumer trust owned
9. Guidance is that councils are free to choose alternative arrangements subject to them meeting the regulatory requirements and being financially sustainable.
 10. Based on the requirement for any vehicle to achieve balance sheet separation and retain the ability to borrow from LGFA, the legal form that aligns with the options announced is the multi-council owned water organisation. As per guidance, any such organisation needs to be company and, again to ensure the ability to borrow from LGFA, must be owned by councils.
 11. A limited liability company is consequently the recommended vehicle.

Financial modelling

12. The process applied to develop the Waikato financial model and confirm the assumptions which underpin it are as follows:

Steps in relation to development of financial model	
a)	as directed by the Forum, the Project Team has leveraged off past work done by councils and DIA in relation to water services delivery and has optimised existing resources available
b)	the financial model built by DIA's NTU financial modelling team in the context of the former Entity A (Wai Tamaki ki Te Hiku) Funding and Pricing Plan was used as the starting point
c)	the assumptions underpinning that model (version 1 assumptions) were reviewed by a project working group appointed by the Forum and Waikato CEs and updated (version 2 assumptions)
d)	the updated assumptions were then further tested with a small number of CFOs from across the Waikato (version 3 assumptions)
e)	the version 3 assumptions were tested with the wider CFO Forum in April 2024
Steps in relation to collation of data	
f)	Data is input based on the 10-year financial information for waters related activity (capex and opex) as included in the Long-Term Plan 2024 / enhanced Annual Plan

13. In addition to the above, the following steps have been undertaken to inform the recommendations:
 - a) A workshop with the CFOs to discuss, in addition to the assumptions, the data being input into the financial model and the metrics for measuring a comparative analysis of councils going alone versus an aggregated model. In overview, it was agreed that financial modelling should be completed using the LTP 2024 data rather than any unconstrained programme of work. This is because unconstrained is not realistic in either scenario due to issues around deliverability and capacity.
 - b) Further meetings to discuss the appropriate metrics that should be applied to compare options
 - c) Quality assurance carried out by council finance staff and Co-Lab in relation to the financial model
 - d) Input and direction from the CE Working Party on 8 April and 31 May in relation to financial modelling and showstoppers
 - e) Input and direction from the Waikato CE Forum on 19 April, 17 May in relation to financial modelling and showstoppers

- f) Further input and direction from the Waikato CE Forum on 21 June in relation to the strategic direction, findings and recommendations to be put to the Forum, with a follow up meeting on 5 July 2024
- g) Direction from the Forum Reference Group on 26 April and 15 June LTP Confidence survey across the CEs

Step 4 of roadmap – Design parameters (showstoppers)

- 14. Showstoppers are those local concerns over and above financial concerns raised by Forum members in relation to an aggregated entity. These were captured from discussions across CEs and tested with the Forum Reference Group.
- 15. Following workshops with the CE Forum, the concerns have been distilled into the below groups:
 - a) Local voice and influence
 - b) Distributional impacts
 - c) Service delivery, scope and standards
 - d) Transition considerations
- 16. For completeness, the table of concerns is included below.

Overarching groups identified	Concerns captured in grouping
Local Voice and influence	<ul style="list-style-type: none"> • Timeframe to price harmonization (formerly known as cross-subsidisation) • Enabling local voice • Governance • Prioritisation of communities • Community perception re assets being 'given away' • Ability to influence pricing • Iwi buy in and influence in decision making
Distributional impacts	<ul style="list-style-type: none"> • Timeframe to price harmonization • Prioritisation of communities • Water metering
Service delivery, scope and standards	<ul style="list-style-type: none"> • Ability to create scale and mode quickly • Stormwater – in or out
Transitional considerations	<ul style="list-style-type: none"> • Ability to create scale and move quickly • Stranded costs • Costs involved in standing up a CCO

Appendix 2 - Summary of Bill#2 (as at the date of this report)

1. The Local Government (Water Services Preliminary Arrangements) Bill was introduced into Parliament in May 2024. The Select Committee returned its report on 18 July 2024. The Bill is due to be passed into law in August 2024. It is the second stage in the Government's Local Water Done Well following repeal of the previous Government's water services entity model in February 2024.
2. The content of the Bill largely aligns with previous Ministerial announcements.
3. There are effectively three matters provided for in the Bill (not including provisions specific to Watercare). These are:
 - a) Water services delivery plans (**Plans**) (once off occurrence)
 - b) Foundational information disclosure
 - c) Streamlined provisions for consultation
4. Bill#2 will require councils to prepare and submit water services delivery plans (Plans) within 12 months of the Bill being passed into law. Plans must be submitted to the Secretary for Local Government (CE of Department of Internal Affairs (DIA)) for approval, but the Minister of Local Government can give a time extension in limited circumstances. Any extension of time granted by Minister to submission date must specify for how long
5. In broad terms, the Plans must identify the current state of a council's water services, and show how the council will deliver those services in a way that:
 - a) meets relevant regulatory quality standards for stormwater, wastewater and water supply networks
 - b) is financially sustainable
 - c) ensures compliance with drinking water quality standards; and
 - d) supports housing growth and urban development objectives.
6. More specifically, the Plans ask for councils to describe:
 - a) Current state of network
 - b) Current levels of service
 - c) Areas that receive water services in the district and those that don't, together with infrastructure associated with provision for population growth and development capacity
 - d) Whether water services comply with current regulatory requirements (and to what extent) and will comply with anticipated future regulatory requirements. Must describe any non-compliance (actual or anticipated) and how the proposed model for future delivery will address
 - e) Details of capex and opex required to deliver water services and for regulatory requirements
 - f) Financial projections for period of plan – opex, revenue, capex, debt.
 - g) Assessment of current condition, lifespan and value of network
 - h) Asset management approach
 - i) Issues, constraints and risks, together with impact on delivery
 - j) Anticipated or proposed model for delivering water services (including any joint arrangement or to continue to deliver alone)
 - k) How will revenue be separated from other functions

- l) What consultation was undertaken to develop the information re the anticipated or proposed model for delivering water services
 - m) Plan to make financially sustainable by 30 June 2028
 - n) Implementation plan for proposed model
 - o) Any other information set in rules by Secretary for Local Government under the Act within 3 months of Act being in force
7. **Period covered:** Plans must cover at least 10 financial years, with more detailed information for the first three financial years. Plans cover 10 years from 2024/2025 financial year, but MAY include information for additional 20 years if helps to identify future investment requirement
8. **Approval:** Plans must be adopted by resolution of council and certified as true and accurate by the Chief Executive.
9. **Joint arrangements:** Councils can prepare a joint Plan with other councils. Joint arrangements must cover all water supply and wastewater services of the participating councils, but a council can choose to retain for itself delivery of some or all of its stormwater services, if it wishes. A key decision for councils when preparing their plan will be whether to continue delivering services alone, or enter into a joint arrangement with other councils, whether through a CCO or some other arrangement. If a CCO with other councils is preferred, there is a streamlined consultation process.
10. **Implementation plan:** Plans must include an implementation plan for delivering proposed model or arrangements and if the proposal is to deliver water services alone, the actions that ensure financial sustainability by 30 June 2028. Implementation plans must include:
- a) process for delivering the proposed model or arrangements
 - b) commitment to give effect to the proposed model or arrangements once plan is accepted
 - c) name of each council that commits to delivering the proposed model or arrangements
 - d) time frames and milestones for delivering the proposed model or arrangements
11. **Post submission:** Minister is required to decide on whether Plan is compliant as soon as reasonably practicable after submission. Further:
- a) Councils are required to give effect to proposals for future delivery once plan accepted - objective is to get councils to start actioning plans
 - b) Secretary given power to monitor compliance with plans
 - c) Plans can be changed post approval where amendments significant or is a change is to the proposed model set out in the original plan – amended plan must be submitted within 18 **months of Bill becoming law**
12. **Statutory backstop:** A Plan will only be approved by the Secretary if it complies with the legislative requirements. If the Secretary is not satisfied the Plan is compliant, he can ask the council (or councils where the Plan is joint) to amend it and resubmit by a specified date. The Minister can appoint a Crown facilitator or Crown water services specialist in specific circumstances. The Crown facilitator can assist with preparation of the Plan and facilitate any negotiations between joint parties to an arrangement. The Crown water services specialist can prepare Plans on behalf of a council or direct a council to adopt a Plan that the specialist has prepared (which could effectively remove the council's lead role in the process).
- a) Notice to be given before a Crown facilitator of water services specialist is appointed
 - b) Minister also has the power to appoint a Crown facilitator if plans not given effect to by Councils

Additional information: disclosure requirements

13. The Bill's explanatory note states that "foundational information disclosure" will be provided through Plans "to lay the groundwork for comprehensive economic regulation". It also enables the Commerce Commission to require a council or a CCO to publicly disclose a wide range of information such as financial statements, asset values and valuation reports, pricing information, contracts, related party transactions, financial and non-financial performance measures, asset management plans, and quality performance measures and statistics.

Streamlined consultation

14. The Bill provides for an alternative consultation and decision-making process (modifying the existing processes in the Local Government Act 2002).
15. The important features of these alternative arrangements are:
 - a) Councils do not have to consider "all reasonably practicable options". They may identify two options only - being the status quo and the proposed new arrangement
 - b) Councils are only required to consult once, and do not have to consult on any amendments to the LTP that are required as a result of a decision relating to a CCO
 - c) Councils may conditionally approve an LTP plan amendment subject to the agreement by other parties to a joint arrangement
 - d) Councils may (but are not required to) consider the impact of a joint CCO on communities in the areas covered by the joint arrangement (not just their own districts)
 - e) principles for public consultation in LGA apply to alternative consultation process for joint arrangement
 - f) information made publicly available must include how proposal is likely to affect rates, debt, levels of service and charges for water
 - g) Councils will be temporarily exempt from having to consider the cost-effectiveness of current arrangements for meeting the community's needs, under section 17A of the Local Government Act 2002
 - h) For councils that opted to defer their LTPs, they can combine consultation on a CCO and their LTPs for 2025-2034.

Appendix 3 – Design parameters

Category	Design of future state fully regulated Regional CCO must:
Local voice and influence	<ul style="list-style-type: none"> • identify factors to be prioritised for further development – capture for statement of expectations • identify mechanisms for local voice/ influence/representation – noting the requirement to have a consumer complaints process under economic and consumer protection regulation • confirm integration of Treaty settlement arrangements as a key design principle
Distributional impacts	<ul style="list-style-type: none"> • have a phased pricing pathway/transition as a key design principle • provide for further work required on possible conditions of entry (to mitigate concerns over past investment) • agree consistent public messaging (officer and Elected Members) around the value of the model, scale of savings
Service delivery, scope and standards	<ul style="list-style-type: none"> • be flexible to account for regulatory uncertainty • have options for stormwater that align with government policy
Transition considerations	<ul style="list-style-type: none"> • approach LGFA to determine if borrowing will be available for aggregation establishment costs • recommend each council manage their own stranded costs – with time for this to be managed and transition pathway principles • provide for a staged model including ability for councils to ‘opt-in’ post establishment
Credit rating separation and increased borrowing	<ul style="list-style-type: none"> • align with design parameters set out in Bill#3 to achieve increased debt capacity but still enable LGFA borrowing. Model options and parameters currently being developed. May require councils to ring fence water services revenue and debt in a separate model and dilution of council control • enable residual councils’ balance sheets to be opened up to meet other community expectations which are currently limited

WAIKATO WATER DONE WELL
FINANCIAL MODELLING ASSUMPTIONS (VERSION REVIEWED BY FRG AND PRESENTED TO 11 MARCH JOINT FORUM)

	Category	Assumptions / data currently built into financial model	Notes	Recommendation
1.	ENHANCED OPEX & CAPEX SPEND CATEGORIES	<ul style="list-style-type: none"> To facilitate organisational efficiencies, a 'Spend to save' budget is included spread over the first 10 years. Current assumption is that this is 50% opex / 50% capex. Included in total capex spend in proportion to existing capital spend allocation, but not tagged to any existing capital project. Dollar amount of budget based on entity population of an equivalent New Zealand wide \$1 billion budget. 	<ul style="list-style-type: none"> Save to spend is not tied to a particular water type. It is included to provide a budget to find efficiencies. If it is left out, it will result in less cost but is likely to have an impact on achieving the potential efficiencies. Intention is to enable those operating the end vehicle to understand and realise how scale can give rise to efficiency. The model assumes that efficiency will kick in at year 3 so there is a lag between the spend and savings it generates. 	<p>Leave the spend to save in as it will be necessary to invest to realise the savings (refer to assumption below in relation to efficiency for completeness). The decision as to how to invest will be a matter to be determined by the relevant governance forum of the end vehicle.</p>
2.	ENHANCED OPEX & CAPEX SPEND CATEGORIES	<ul style="list-style-type: none"> Vulnerable consumer assistance expense is calculated at 1% of total revenue – based on former Three Waters Legislation requirements. 	<ul style="list-style-type: none"> Consider whether X% of debt put aside for growth development and capex opportunity that are not BAU but support vulnerable communities (with new connection / improved connection) LTP24 includes a level of vulnerable customer assistance in the form of rates rebate 	<p>Leave this amount in as it is not material in quantum and detail can be addressed at a later stage.</p>

WAIKATO WATER DONE WELL
FINANCIAL MODELLING ASSUMPTIONS (VERSION REVIEWED BY FRG AND PRESENTED TO 11 MARCH JOINT FORUM)

	Category	Assumptions / data currently built into financial model	Notes	Recommendation
3.	DIGITAL SERVICES AND LICENSING	<ul style="list-style-type: none"> Opex costs relating to any new digital service and licensing fees will be materially similar to existing costs (ie there will be no additional opex costs relating to digital services). An amount will be allowed for capex costs relating to any digital services and is wholly debt funded. This is over and above any other capex spend or debt transfer. 	<ul style="list-style-type: none"> Assumption is that as Councils come together, the software and systems in the background will not be fit for purpose. Additional cost will be required for IT upgrades and integration. Amount included will be reviewed as nature of any digital services / systems of record becomes clearer. 	<p>As the cost of IT can never be underestimated, it is recommended that this cost is built in (noting that it is over and above the amount of spend to save already included in the model).</p> <p>Classification of amount to be confirmed once there is clarity on the systems that will be required on aggregation.</p>
4.	REVENUE	<ul style="list-style-type: none"> Internal DIA analysis on basis of LTP21 figures suggests that revenue from growth is not paying for growth spend and so an assumption was built in that development contributions and fees would increase 5% per year for the first four years of the relevant aggregated vehicle being operational. 	<ul style="list-style-type: none"> Starting assumption would be that LTP24 figures should be assumed to be based on growth being able to cover the cost of growth. Inclusion or exclusion of uplift does not have a material impact on output of model. 	<p>LTP24 figures to be reviewed at a later point to ensure revenue from growth covers cost of growth.</p>

WAIKATO WATER DONE WELL
FINANCIAL MODELLING ASSUMPTIONS (VERSION REVIEWED BY FRG AND PRESENTED TO 11 MARCH JOINT FORUM)

	Category	Assumptions / data currently built into financial model	Notes	Recommendation
5.	REVENUE	<ul style="list-style-type: none"> All water types are included – water supply, wastewater, and stormwater. 	<p>The scope to be mandated by the Bay of Plenty.</p> <p>Potential options to be discussed as part of aggregation discussions include:</p> <ul style="list-style-type: none"> (a) aggregated provider of 2 waters only (fees payable by customers under contract for service) (b) aggregated provider of 2 waters but also provider of stormwater management services (service fee payable by Councils for stormwater under management agreement) (c) aggregated provider of 3 waters (with legal / contractual constraints to this being identified) <p>Note: Some Councils may include land drainage in stormwater costs by default however these are not likely to be material.</p>	<p>For the sake of the model, it is recommended that the LTP24 figures are taken as the baseline and scenario (a) and scenario (c) are modelled without pre-determining how stormwater will be connected with the management process at this point.</p> <p>It is accepted that certain Councils will include land drainage as part of stormwater. This can be reviewed at a later point once the next layer of detail is applied.</p>

WAIKATO WATER DONE WELL
FINANCIAL MODELLING ASSUMPTIONS (VERSION REVIEWED BY FRG AND PRESENTED TO 11 MARCH JOINT FORUM)

	Category	Assumptions / data currently built into financial model	Notes	Recommendation
6.	EFFICIENCY	<ul style="list-style-type: none"> • Efficiency is regulatory driven. • An over-arching efficiency across all spend (opex and capex), a Total Factor Productivity (TFP), can be applied however the current assumption is set at 0% • Instead of an overarching TFP, efficiencies are set at 15% for opex and 15% for capex to be achieved over 15 years, starting after 3 years. This is equivalent to a 1.08% efficiency per annum based on: <ul style="list-style-type: none"> a. 60% of efficiencies achieved evenly over the first 5-year period (i.e. 1.8% per year increasing up to 9% in year five) b. 60% of the remaining efficiencies achieved over the following 5 years (i.e. an additional 0.72% per year increasing to a total of 12.60% in year 10) c. remaining efficiencies achieved over the third and final 5-year period (i.e. a further 0.48% per year until a total of 15% efficiency is reached in year 15). <p>This equates to a 15-year internal rate of return (IRR) of 1.08%.</p>	<ul style="list-style-type: none"> • TFP being the measure of efficiency to use inputs to produce outputs. • Efficiency target to be considered and tested. • Consider regulatory efficiency through use of AI. • Proposal to include anecdotal evidence of impact of regulation in other countries and / or industries. 	<p>In relation to efficiency targets, evidence from overseas supports the statement that scale does lead to efficiency and that a 15% rate is achievable. It is recommended that 15% is applied but reviewed once the scale of aggregation is more apparent.</p>

WAIKATO WATER DONE WELL
FINANCIAL MODELLING ASSUMPTIONS (VERSION REVIEWED BY FRG AND PRESENTED TO 11 MARCH JOINT FORUM)

	Category	Assumptions / data currently built into financial model	Notes	Recommendation
7.	BASE OPEX & CAPEX	<ul style="list-style-type: none"> Base Opex based on Councils LTP21 inflated using Local Government aggregated cost adjustor to rebase the spend. 	<ul style="list-style-type: none"> Will be updated to include the LTP24 figures once available. 	Note
8.	BASE OPEX & CAPEX	<ul style="list-style-type: none"> Assumed Council used BERL LGCI Capex inflation 	<ul style="list-style-type: none"> Assumption will be resolved once model updated with LTP24 information 	Note
9.	ADDITIONAL CAPEX ABOVE LTP21	<ul style="list-style-type: none"> Maximum amount of capital spend in any given year is taken from work done collaboratively between Council staff and DIA staff and in the context of the Affordable Waters programme of work was referred to as the unconstrained asset management plan. 		Update to reflect unconstrained figures that Councils may be able to provide from LTP 24 preparatory work
10.		<ul style="list-style-type: none"> Assumed that any change in capital spend will be in proportion to the allocation identified in the unconstrained asset management plan. 		Update to reflect unconstrained figures that Councils may be able to provide from LTP 24 preparatory work
11.		<ul style="list-style-type: none"> Assumption that Council LTP21 opex already contains consequential opex at 2% of any spend on Growth or Level of Service. 	<ul style="list-style-type: none"> Confirmed that consequential opex already factored into LTP24 budgets 	Note

WAIKATO WATER DONE WELL
FINANCIAL MODELLING ASSUMPTIONS (VERSION REVIEWED BY FRG AND PRESENTED TO 11 MARCH JOINT FORUM)

	Category	Assumptions / data currently built into financial model	Notes	Recommendation
12.	NEW REGULATORY COSTS	<ul style="list-style-type: none"> Amount assumed is based on discussions with central government in the context of the former four entity model – includes compliance cost with Commerce Commission (economic regulator), Taumata Arowai (quality) and Regional Councils (pro-rated). (Currently estimated \$14 million nationally, to be pro-rata by population for Bay of Plenty cohort). 	<ul style="list-style-type: none"> The scope of costs is to be reviewed as government direction becomes clearer and also the manner in which the cost is to be spread across the different models for delivering water services. Amount estimated considered very light. To be considered against amounts estimated by Councils in LTP24 for regulatory costs – to clarify \$ in later stages 	Note
13.	GROWTH	<ul style="list-style-type: none"> Annual population growth will drive an increase in both revenue and opex costs - assumption in relation to growth is currently based on StatsNZ 2018 Census and aggregated across the region. Connected population assumed to be 92%. 	<ul style="list-style-type: none"> Can be updated easily by Council if they have 3rd party estimates eg Infometrics 2023 StatsNZ information not yet available. 	Note
14.	REVENUE	<ul style="list-style-type: none"> Revenue from LTP21 is currently loaded by council and by type (eg service charges, fees, development contributions). 	<ul style="list-style-type: none"> Will be updated to include the LTP24 figures once available. 	LTP 2024 Data to be uploaded into model (in draft for now)
15.	GOVERNANCE AND RATES	<ul style="list-style-type: none"> Estimates for 'Other WSE costs' included in the model relate to insurance, governance costs for board, former RRG, rates to Council and stakeholder engagement (based on analysis done in collaboration with the wider DIA National Transition Unit) 	<ul style="list-style-type: none"> As nature of model becomes clearer, these costs will be reviewed to estimate the requirements of any new council owned organisation. 	Note

WAIKATO WATER DONE WELL
FINANCIAL MODELLING ASSUMPTIONS (VERSION REVIEWED BY FRG AND PRESENTED TO 11 MARCH JOINT FORUM)

	Category	Assumptions / data currently built into financial model	Notes	Recommendation
16.		<ul style="list-style-type: none"> Any capital spend over and above LTP amount drives a one-off increase in opex costs for the same year at 2% of the delta (consequential opex). Inherent assumption is that council LTP21 already contains equivalent consequential opex. FFO to debt - 7% 	<ul style="list-style-type: none"> To be reviewed once LTP24 figures available and underlying assumptions are understood. Consequential opex covered above – quantum to be refined if necessary To be modelled as Debt/Revenue – target of 5x 	Note and review against LTP 2024
17.	DEBT INTEREST RATES	<ul style="list-style-type: none"> Interest rates assumptions are based on PwC advice and Local Government Funding Agency (LGFA) disclosures, and calculated as follows: <ol style="list-style-type: none"> Used the current, forward 5-year swap rates as provided by NZ Banks Plus the credit margin (as per PwC advice) assuming a 'AA' S&P credit rating: value 72.5 basis points (bps) or 0.725% per annum Plus an issuance margin of 5 bps or 0.05% per annum Plus the cost of the Crown standby liquidity facility of 5bps or 0.05% per annum (based on LGFA disclosures). This assumes the facility would be 10% the size of total debt. 	<ul style="list-style-type: none"> Interest rate of 5% applied for modelling purposes. 	Note
18.		<ul style="list-style-type: none"> Current assumption is that none of the interest cost is capitalised 	<ul style="list-style-type: none"> This is consistent with Council approach 	Note

WAIKATO WATER DONE WELL
FINANCIAL MODELLING ASSUMPTIONS (VERSION REVIEWED BY FRG AND PRESENTED TO 11 MARCH JOINT FORUM)

	Category	Assumptions / data currently built into financial model	Notes	Recommendation
19.	INFLATION	<ul style="list-style-type: none"> Assume Local Government aggregated cost adjuster is appropriate inflator for opex costs below: <ol style="list-style-type: none"> Base Opex per Council LTP (noted above) New Regulatory Costs (noted above) Consequential opex on Growth and Level of Service at 2% of uplift over LTP capex amounts (noted above) Spend to Save opex (noted above) 	<ul style="list-style-type: none"> Will be resolved with LTP24 figures 	Note
20.		<ul style="list-style-type: none"> Assumed council used BERL LGCI Capex inflation (noted above) in order to rebase the spend 	<ul style="list-style-type: none"> Will be resolved with LTP24 figures 	Note
21.		<ul style="list-style-type: none"> Model uses Producer Price Index (PPI) inputs - Water, sewer, drainage & waste services inflation for Capex 	<ul style="list-style-type: none"> Will be resolved with LTP24 figures 	Note
22.		<ul style="list-style-type: none"> These data sources only go out to FY2033, the assumption is that FY2033 onwards is constant 	<ul style="list-style-type: none"> Will be resolved with LTP24 figures 	Note
23.	STARTING DEBT & TRANSFERRED ASSET VALUES	<ul style="list-style-type: none"> Debt as per agreed Council-DIA settlement amounts and apportioned by transferred asset values. 	<ul style="list-style-type: none"> To be updated and split by agreed settlement amounts per water type Look to update via Annual Plan amounts 	Apply for now but review once the form of the aggregated model is agreed

WAIKATO WATER DONE WELL
FINANCIAL MODELLING ASSUMPTIONS (VERSION REVIEWED BY FRG AND PRESENTED TO 11 MARCH JOINT FORUM)

	Category	Assumptions / data currently built into financial model	Notes	Recommendation
24.		<ul style="list-style-type: none"> Transferred asset values come from AP23 closing values plus FY24 spend per LTP21 less 2% depreciation 	<ul style="list-style-type: none"> Also will be updated to reflect LTP24 when available. Look to update via AP amounts 	Note
25.		<ul style="list-style-type: none"> Placeholder for new debt relating to digital/non-water assets eg new Enterprise Resource Planning system (as noted above) 	<ul style="list-style-type: none"> Refer note above in relation to digital services and licensing. 	Note
26.	ASSET USEFUL LIFE	<ul style="list-style-type: none"> Useful life of 50 years for transferred assets regardless of water type 		Note
27.		<ul style="list-style-type: none"> New assets assumed to have an average useful life of 70 years for wastewater assets, 100 years for stormwater assets, and 50 years for water supply assets 		Note
28.	NETWORK REVALUATIONS	<ul style="list-style-type: none"> Model can apply a % increase to water network however current assumption is for no revaluation of water network. 		Note
29.	CASHFLOW	<ul style="list-style-type: none"> For simplicity, the current assumption is everything is paid or received within the period 		Note
30.	TAX	<ul style="list-style-type: none"> Entity will be exempt for income tax purposes under the Income Tax Act 2007 and is therefore not liable to pay income tax 	Any questions over the tax status to be put to the policy team to ensure that they are aware of this assumption and confirm the legislation will support it.	Review once draft legislation is released

Summary Table - 3 Waters & Landfill Resource Consents

	Resource Consent No.	Description	Activity	Objective No.:	Expiry Date	Status
1	AUTH117945.01.01	Benneydale/Maniati WTP Backwash Discharge	Discharge up to 5m3 per day of filter backwash into an unnamed tributary of the Mangapehi Stream.	A474465	7 April 2031	Valid
2	AUTH143938.01.01	Benneydale/Maniati WTP Groundwater Take	Take up to 180 cubic metres per day of groundwater for Maniati/Benneydale municipal supply purposes.	A727683	7 April 2031	Replaced the AUTH116274.01.01
3	AUTH116844.01.02	Benneydale/Maniati WTP Surface Water Take	Take up to 180 m3 per day of water from an unnamed tributary of the Mangapehi Stream for Benneydale water supply purposes.	A474463	7 April 2031	Valid
4	AUTH116843.01.01	Benneydale WTP – Water Permit Dam	Use and maintain an existing dam structure in the bed of an unnamed tributary of the Mangapehi Stream, and dam water for Benneydale water supply purposes.	A474466	7 April 2043	Valid
5	AUTH118813.01.01	Benneydale Wastewater Treatment Plant	Discharge up to 85 m3 per day of treated municipal wastewater on to land on a seasonal basis or discharge to the Mangapehi Stream	A730895	11 May 2025	Valid (renewal been processed now)
6	AUTH113545.01.01	Mokau WTP Backwash Discharge	Discharge up to 10 m3 of filter backwash water to an unnamed tributary of the Coastal Marine Area in association with a municipal water treatment plant in Mokau.	A474685	15 September 2026	Valid
7	AUTH113544.01.01	Mokau WTP Surface Water Take	Take up to 1000 m3 per day of water from an unnamed tributary for public water supply purposes in Mokau.	A474684	15 September 2026	Valid
8	AUTH130356.01.01	Mokau WTP – Land Use	To dam and divert an unnamed tributary for public water supply purposes at Mokau	A730896	15 January 2049	Valid
9	AUTH107477.01.02	Piopio WTP Surface Water Take	Take up to 165,929 m3 per year of water from Kuratahi Stream for municipal water supply purposes.	A474690	1 August 2023	Expired – A renewal was submitted to WRC in July 2023. Awaiting approval.
10	AUTH107478.01.02	Piopio WTP Backwash Discharge	Discharge up to 8 m3 of filter backwash water and waste over 4-minute period, twice a week to the Kuratahi Stream in association with the operation of a municipal water supply.	A474689	1 August 2023	Expired – A renewal was submitted to WRC in July 2023. Awaiting approval.
11	AUTH108776.01.01	Piopio WTP – Bed Structure Land use consent	To occupy the bed of Kuratahi Stream with a water intake structure and a discharge outlet structure, in association with the operation of a municipal water supply	A135520	1 August 2023	Expired – A renewal was submitted to WRC in July 2023. Awaiting approval
12	AUTH117290.01.01	Piopio Wastewater Treatment Plant Discharge	Discharge up to 135.4 m3 of treated municipal sewage from the Piopio Wastewater Treatment System to the Mokau River.	A475022	30 June 2028	Valid

	Resource Consent No.	Description	Activity	Objective No.:	Expiry Date	Status
13	AUTH105054.01.01	Te Kuiti Stormwater Discharge	To divert and discharge urban stormwater runoff and associated contaminants at multiple locations to land, the Mangaokewa Stream and use discharge structures in the vicinity of Te Kuiti urban area that is reticulated by the Te Kuiti municipal stormwater system.	A475113	1 July 2024	Expired – A renewal was submitted to WRC in March 2024. Awaiting approval
14	AUTH105055.01.01	Piopio Stormwater Discharge	To divert and discharge urban stormwater runoff and associated contaminants at multiple locations to land, the Mokau River, Piopio and Kuratahi Stream and use discharge structures in the vicinity of Piopio urban area that is reticulated by the Piopio municipal stormwater system.	A475114	1 July 2024	Expired – A renewal was submitted to WRC in March 2024. Awaiting approval
15	AUTH105056.01.01	Mokau Stormwater Discharge	To divert and discharge urban stormwater runoff and associated contaminants at multiple locations to and, the Mokau River and use discharge structures in the vicinity of Mokau urban area that is reticulated by the Mokau municipal stormwater system.	A475116	1 July 2024	Expired – A renewal was submitted to WRC in March 2024. Awaiting approval
16	AUTH105057.01.01	Marokopa Stormwater Discharge	To divert and discharge urban stormwater runoff and associated contaminants at multiple locations to land, the Marokopa River and use discharge structures in the vicinity of Marokopa urban area that is reticulated by the Marokopa municipal stormwater system.	A475117	1 July 2024	Expired – A renewal was submitted to WRC in March 2024. Awaiting approval
17	AUTH105058.01.01	Te Waitere Stormwater Discharge	To divert and discharge urban stormwater runoff and associated contaminants at multiple locations to land the Kawhia Harbour and use discharge structures in the vicinity of Te Waitere urban area that is reticulated by the Te Waitere municipal stormwater system.	A475118	1 July 2024	Expired – A renewal was submitted to WRC in March 2024. Awaiting approval
18	AUTH105059.01.01	Benneydale Stormwater Discharge	To divert and discharge urban stormwater runoff and associated contaminants at multiple locations to land, the Mangapehi Stream and use discharge structures in the vicinity of Benneydale urban area that is reticulated by the Benneydale municipal stormwater system	A475119	1 July 2024	Expired – A renewal was submitted to WRC in March 2024. Awaiting approval
19	AUTH105060.01.01	Waitomo Village Stormwater Discharge	To divert and discharge urban stormwater runoff and associated contaminants at multiple locations to land, the Waitomo Stream and use discharge structures in the vicinity of Waitomo urban area that is reticulated by the Waitomo municipal stormwater system.	A475121	1 July 2024	Expired – A renewal was submitted to WRC in March 2024. Awaiting approval

	Resource Consent No.	Description	Activity	Objective No.:	Expiry Date	Status
20	AUTH133317.01.01	Te Kuiti WTP Surface Water Take	To take water from the Mangaokewa Stream for domestic and municipal water supply purposes.	A504438	30 September 2040	Valid
21	AUTH103577.01.01		Works in a river associated with water take and supply	A135517	30 November 2035	valid
22	AUTH112639.01.01	Te Kuiti Wastewater Treatment Plant Discharge to water	To discharge treated wastewater to the Mangaokewa Stream from the Te Kuiti Wastewater Treatment Plant.	A456368	18 December 2039	Valid
23	AUTH112641.02.01	Te Kuiti Wastewater Treatment Plant	Construct an outfall structure in the Mangaokewa Stream	A730897	30 January 2040	Valid
24	AUTH120051.01.01	Te Kuiti Wastewater Treatment Plant	To discharge contaminants to air, including odour from activities associated with the Te Kuiti Wastewater Treatment Plant	A730898	30 January 2040	Valid
25	AUTH120048.01.01	Te Kuiti Wastewater Treatment Plant Land use and Discharge to Land	To place, use and maintain an outfall structure in the bed of the Mangaokewa Stream To discharge treated wastewater (via seepage) to land and groundwater from activities with the Te Kuiti wastewater treatment plant	A623704	18 December 2039	Valid
26	AUTH138063.01.01	Te Waitere Wastewater Discharge to land	Discharge up to 10.3 m3 of primary treated wastewater from the residential and community sources into land	A361247	31 July 2042	Valid
27	AUTH140685.01.01	Rangitoto Quarry Landfill, William Street, Te Kuiti	The discharge of contaminants into or onto land, and any subsequent discharge of contaminants into water or air as part of the operation of the Waitomo District Landfill	A470331	Not yet commenced. 01/09/2054	
28	AUTH101753.01.01	Te Kuiti Landfill, William Street	The discharge of municipal solid waste into or onto land	A470329	Dec. 31, 2033	Valid
29	AUTH101754.01.01	Te Kuiti Landfill, William Street	Discharge contaminants to air from a Rangitoto Quarry Landfill Site	A470330	Dec. 31, 2033	Valid
30	AUTH124718.01.01	Te Kuiti Landfill, William Street	Discharge leachate from a sanitary landfill into ground	A470332	Dec. 31, 2033	Valid
31	AUTH103289.01.01	Te Kuiti Closed Landfill – Walker Rd.	To divert and discharge natural water and stormwater from the closed Walker Road Landfill	A499205	June 30, 2037	Valid
32	AUTH103287.01.01	Te Kuiti Closed Landfill – Walker Rd.	To discharge contaminants (i.e landfill leachate) into the ground from the closed Walker Road landfill in circumstances that may result in contaminants entering groundwater	A135573	June 30, 2037	Valid
33	AUTH103288.01.01	Te Kuiti Closed Landfill – Walker Rd.	To discharge contaminants (i.e landfill gas) into the air from the closed Walker Road landfill	A499204	June 30, 2037	Valid
34	AUTH136029.01.01	Te Kuiti Water Treatment Plant – Land Use Consent (Bed – Structure)	To place a water intake structure in the bed of the Mangaokewa Stream, Te Kuiti, including associated bed disturbance.	A730520	October 31, 2050	Valid

Document No: 579213

Report To: Council



Meeting Date: 27 August 2024
Subject: 2024 General Revaluation Update
Type: Information Only
Author: Tina Hitchen
 Chief Financial Officer

1. Purpose of Report

- 1.1 The purpose of this business paper is to update the Council on the timeline for the 2024 General Revaluation for properties in the Waitomo District.

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 2024 General Revaluation be received.

3. Background

- 3.1 Council received a paper at 25 June 2024 meeting outlining the draft timeline for the general revaluation for properties in the Waitomo District. At the time of the June meeting, the draft timeline was yet to be confirmed by the Office of Valuer General (OVG).

- 3.2 The finalised timeline is now provided for Council's information.

4. Commentary

- 4.1 OVG has now confirmed the timeline for the general revaluation for Waitomo District, with minor changes made to the dates in red text in the following table. These dates were pushed out a week to allow for other council revaluations in progress and resourcing requirements at OVG.

Key Milestone	Description	Date of Action
Data Integrity Checks	Includes review of data and data cleansing, updating information on certificate of titles, Maori Freehold land properties, earthquake prone buildings, leaky buildings and methamphetamine contaminated buildings.	Ongoing
Market Surveys	Surveys of rural, commercial, forestry and industrial properties to be sent to ratepayers by QV in the Waitomo District. The surveys can be completed on paper or online.	Complete

Key Milestone	Description	Date of Action
Rates Newsletter Mail out	A Rates Newsletter will be sent to ratepayers in August, along with the rates invoice and assessment for the 2024/25 year. The rates newsletter will provide commentary on the upcoming General Revaluation and the objection process.	Complete
Media, Website and Facebook	Key information about the General Revaluation and objection process will be communicated.	Ongoing
OVG Audit Date and files to OVG	The final DVR file sent to the OVG for audit.	22 November 2024
Valuation Service Provider presentation to Council	Valuers from QV will present the key highlights of the General Revaluation to the Elected Members based on the draft valuation.	26 November 2024 Based on draft numbers (TBC)
OVG Audit	Audit team undertake audit of valuation information and conduct meetings with staff and valuers	2-3 December 2024
Audit Approval	OVG issue audit certification	24 January 2025
Implementation date	Implementation date following OVG audit approval.	25 January 2025
Public Notice	Upon the Valuer-General's Certification of the General Revaluation, WDC will give public notice that the roll is open for inspection and notify the community of objection timeframes as per Rating Valuations Act – Section 12.	30 January 2025
Valuation Notice Mail Out	Notice of General Revaluation will be sent to owners and ratepayers, detailing the new property values and information on how to object to the new values as per the Rating Valuations Act – Section 13.	5 February 2025
Objections Close	Owners and ratepayers have 30 working days from the public notice in which to lodge an objection after receiving the above valuation notice. Objections are provided to QV for further review of the values as per Rating Valuations Rules 2008 – Section 6.	14 March 2025
Ratepayers notified of result of objection	Once Quotable Value completes their review, owners and ratepayers will be notified of the result of their objection. If owners are still not satisfied with their value, they have the opportunity to have their objection heard by the Land Valuation Tribunal. This is a separate process with the Land Valuation Court.	As each objection is reviewed

Document ID: 764200

Report To: Council



Meeting Date: 27 August 2024

Subject: **Bi-Monthly Regulatory Update Report**

Type: Information Only

Author(s): Alex Bell
General Manager – Strategy and Environment

1. Purpose of Report

- 1.1 The purpose of this business paper is to update the Council on work programmes that form part of the regulatory activity.

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 Bi-Monthly Regulatory Update Report be received.

3. Background

- 3.1 At its meeting of 28 February 2023, the 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 Regulatory Activity report incorporates commentary on its present activities, short-term planned work and the associated gains and/or risks involved with this work.

4. Commentary

- 4.1 The activities undertaken by the Regulatory Services are governed and directed by legislation, national, regional and local policies and bylaws. We undertake many activities that contribute to keeping our community and district a safe place to be.
- 4.2 Day to day operations include building control, alcohol licensing, environmental health, bylaw administration, animal and dog control, planning and district planning (Proposed District Plan). The functions of these activities were set out in the business paper on 27 June 2023 (528339).
- 4.3 The activities of these units are 'business as usual' in that the activities undertaken are prescribed in the various legislation and planning / policy documents, which control the day-to-day operations.

4.4 **RISKS AND OPPORTUNITIES**

- 4.5 In terms of risks and opportunities, the risks relate to our ability to perform our regulatory functions in line with the various statutes that the group administers. In terms of the Building Control staff capacity, we did not receive any applications from suitably qualified

candidates. We will not be re-advertising for this position this year, and instead are seeking to pursue a shared services delivery model with Waipa and Otorohanga District Council. I will keep the Council informed as this progresses with the aim of having clarity on this model by the end of this calendar year.

4.6 **LOOKING FORWARD NEXT 3 MONTHS**

4.7 **PROPOSED WAITOMO DISTRICT PLAN**

4.8 The first tranche of hearings took place on 16-17 July. The hearings progressed quickly as a lot of the submissions were addressed through evidence and rebuttal. The hearing direction has now been issued for the second tranche of hearings to be held on 26-29 November 2024 (**Attachment 1**). At this stage, it is considered that no further hearings will be required after the second tranche of hearings is held. Due to the timing of the hearings and the time needed to draft and issue decisions, Council will need to seek an extension from the Minister for the Environment for the date to issue a decision on the PDP, as decisions will not be able to be issued by 20 October 2024. This matter is discussed in more detail in the business paper titled Proposed Waitomo District Plan – Clause 10A extension.

4.9 **IANZ BUILDING CONSENT AUTHORITY ACCREDITATION ASSESSMENT**

4.10 The building control team are now working through the last remaining matters raised during the audit. The IANZ report was received on 27 June 2024. An accepted Action Plan to address the matters raised was agreed on 5 July 2024. Staff consider that the matters will be addressed within the final clearance timeframe of 27 September 2024.

4.11 **ROADING AND TRANSPORT POLICY REVIEWS**

4.12 Council officers are progressing with the review of the Land Transport Bylaw and developing policies for road naming, road encroachment and stock underpasses. These will be presented to Council over the coming months.

4.13 **COMMUNICATIONS AND ENGAGEMENT**

4.14 The communications department works across the entire Council organisation to ensure the community is provided with important information, updates on workstreams and projects, and an opportunity to take part in Council consultations.

4.15 The past few months have been busy with several key focuses, including promotion of the Multi Year Funding Grant, DC Tynan Grant, dog registration reminders, TechStep Expo, Rates Newsletter, Understanding your rates invoice campaign, Waitomo Way community newsletter, Library Holiday Programme, roading and water services updates, Kerbside Collection changes, Matariki, Civil Defence messages, Smart Water, district promotion, rates rebate scheme, Long Term Plan, Annual Residents survey, Council decisions and more.

4.16 From May to July 2024, 22 media releases/news items have been published as well as 133 posts on Council's main Facebook page. The Facebook page currently has 6.2K followers and a reach of 98.1K for the May to July period.

4.17 **ANIMAL CONTROL**

4.18 On 12 August, Animal Control staff presented to children at the Rangitoto School on the role of animal control and dog education.

4.19 **CIVIL DEFENCE – WESTERN WAIKATO SHARED SERVICES UPDATE**

4.20 The Western Waikato Emergency Operating Area Shared Service Agreement was originally signed in 2013 between Waipā, Ōtorohanga and Waitomo District Councils. The general description of the shared service is to develop and support the capacity and capability of the partnering councils to prepare for, respond to and plan for the response and recovery from (in conjunction with Recovery Managers from each council) a civil defence emergency in any part of our districts.

- 4.21 The Western Waikato Shared Service Agreement was reviewed and renewed from 1 July 2023 – 30 June 2026 with the new 3-year agreement signed off by CEG Executives of the Waipā, Ōtorohanga and Waitomo District Councils.
- 4.22 The Annual Western Waikato Exercise was held at Ōtorohanga District Council on Wednesday 5 June 2024. The scenario was based on a 5.1 earthquake centred just on the outskirts of Ōtorohanga at Otewa. The exercise is to test how well the Western Waikato can respond to an emergency and whether the training competency was adequate for the response. There were 43 staff involved in the exercise over the three councils in a function, control or observing capacity.
- 4.23 The results from the exercise were received from the assessors and it is pleasing to report that we achieved our KPI result of maintaining the grade of “Advancing”. The assessors highlighted some very good practices and identified some areas that could be improved upon. One highlight of the response is that all functions have improved on their previous scores so rather than having two or three extremely high results, the whole suite of functions has improved.

5. Attachments/Separate Enclosures

Attachments:

- 1 Waitomo Direction Tranche 2 Hearings and Evidence Exchange

IN THE MATTER OF the Resource Management Act 1991 (the RMA)

AND

IN THE MATTER OF The Proposed Waitomo District Plan

DIRECTION 3 FROM THE HEARING PANEL

HEARING DATES, EVIDENCE EXCHANGE FOR THE SECOND TRANCHE OF HEARINGS,

AND

EXPERT CONFERENCING.

1. Pursuant to sections 34 and 34A of the RMA, Waitomo District Council (the Council) has appointed a four person Hearing Panel consisting of three independent hearing commissioners – Greg Hill (Chair), Phil Brodie and Wikitōria Tāne; and Councillor Allan Goddard. The Council’s delegation to the Hearing Panel includes:

Council delegates to the Hearings Panel all powers, duties and functions under the Resource Management Act 1991 (Clauses 8AA to, and including, Clause 10 of the First Schedule of the Resource Management Act 1991) to case manage, consider, hear, deliberate and decide on all submissions and further submissions received on, and provisions of, the Proposed Waitomo District Plan.¹

2. This Direction addresses the second tranche of hearings², as well as expert conferencing. The hearing topics for this tranche are attached in Appendix 1.
3. The hearing of submissions to this tranche of hearing topics is scheduled to commence on **Wednesday 27 November 2024** starting at **9.00am**, at the **Council Chambers, 15 Queen Street, Te Kuiti**. A hearing schedule will be developed closer to this time once the Council knows who is appearing and how much time each submitter may need to present their submission(s). This will determine how many hearing days will be required, but it is unlikely to extend beyond Friday 29 November 2024.

¹ Direction 1 recorded that the Hearing Panel had been delegated recommendatory power only; this was incorrect.

² The first tranche was heard on the 16 and 17 July 2024.

4. The Council’s Hearing Administrator, Kayla Hemara will, closer to the hearing commencement date, make contact with submitters who indicated in their submission that they wished to be heard, and ask:
- Do you still wish to be heard;
 - How much time you request to present your submission or evidence;
 - If you are a lay submitter, whether you require the assistance of a “friend of submitters” to help navigate the procedural process;
 - Will you present in-person (preferred) or virtually (by remote facilities); and
 - If you intend to be represented by legal counsel and/or calling expert witnesses (e.g. transport, landscape, planning experts)³.
5. The opportunity for remote appearance (via AVL) for submitters/witnesses will be made available subject to prior arrangement with the Council. Details of this will be communicated closer to the commencement of the hearing.

Section 42A reports and Evidence Exchange

6. In terms of procedural matters, Section 42A of the RMA provides that the Council may prepare a report on the matters to be considered and be provided prior to the hearing. Also, section 41B of the RMA provides that the Hearing Panel may direct evidence from any expert to be provided before the hearing.
7. Accordingly, the Hearing Panel directs as follows:
- (a) Pursuant to section 42A of the RMA, the section 42A hearing report on **Ecosystems and Indigenous Biodiversity** is to be made available to parties on-line no later than Friday **4 October 2024**⁴;
 - (b) Submitters’ expert evidence (evidence given by a professional with specialist qualifications and experience) on the topic of **Ecosystems and Indigenous Biodiversity** is to be emailed to the Council (at the email address below), no later than **midday, Monday 21 October 2024**. It will then be made available to parties on-line no later than **5.00 pm, Monday 21 October 2024**.

³ Submitters are not required to have legal counsel or expert witness, and can speak to your submission at the hearing if you have indicated an intention to appear at the hearing.

⁴ This is to allow time for expert conferencing – see paragraphs 11 – 18.

- (c) Pursuant to section 42A of the RMA, all other section 42A hearing reports are to be made available to parties on-line no later than **Monday 21 October 2024;**
 - (d) Submitters' expert evidence (evidence given by a professional with specialist qualifications and experience) on all other topics other than Ecosystems and Indigenous Biodiversity is to be emailed to the Council (at the email address below), no later than **midday, Monday 4 November 2024.** It will then be made available to parties on-line no later than **5.00 pm, Monday 4 November 2024.**
 - (e) Pursuant to sections 41B of the RMA, any rebuttal evidence is to be emailed to the Council (at the email address below), no later than **midday, Monday 18 November 2024.** It will then be made available to parties on-line no later than **5.00 pm, Monday 18 November 2024.**
8. While these Directions do not strictly apply to lay or non-expert statements/evidence, the Hearing Panel would appreciate any written statements to be presented at the hearing to be emailed to the Council (at the email address below) no later than, **midday, Thursday 21 November 2024.** It will then be made available to parties on-line no later than **5.00 pm, Thursday 21 November 2024.**
9. The Hearing Panel also requests parties to pre-circulate their legal submissions (if any) in advance of the hearing to be emailed to the Council (at the email address below), preferably no later than no later than, **midday, Thursday 21 November 2024.** They will then be made available to parties on-line no later than **5.00 pm, Thursday 21 November 2024.**
10. The purpose of this Direction is to provide the opportunity for the Hearing Panel and the other parties to have read and considered any legal submissions, evidence or statements in advance of the hearing to assist in understanding the case being presented. As the Hearing Panel will have read all the pre-circulated material before the hearing, there will be no need for it to be read out. An executive summary may be read out or the key points highlighted.

Expert Conferencing

11. Clause 8AA – Resolution of Disputes of the First Schedule of the RMA enables a process to clarify and resolve disputes between parties. Accordingly, the Hearing Panel directs expert conferencing as set out below.

12. The purpose of the conferencing process is for the parties' experts to identify, discuss and potentially resolve (or not) the issues in contention between them.
13. Expert conferencing will be held for the topic **Ecosystems and Indigenous Biodiversity**, and we direct accordingly. The conferencing session(s) on this topic will be open to the 'technical experts' as well as the planning experts.
14. The conferencing session(s) are likely to occur between **7 and 12 November 2024**. The date(s) for the conferencing session(s) will be confirmed as soon as possible, and will be communicated to those experts attending the conferencing session(s).
15. Parties are to inform the Council's Hearing Administrator, Kayla Hemara via email (address below) of the expert witnesses (name, expertise, and contact details) who will attend the conferencing sessions. This is to be provided no later than **16 August 2024**.
16. The Hearing Panel directs that conferencing is undertaken in accordance with the Environment Court Practice Note 2023 and in particular – Section 9 - Code of conduct for expert witnesses. Also, those experts participating in the conferencing are to make themselves available to appear at the hearing if required to do so by the Hearing Panel.
17. That Ms Marlene Oliver is appointed as the independent facilitator for the expert conferencing session(s). She is authorised to:
 - a. Act as independent facilitator;
 - b. In conjunction with the Council (as administrator) invite submitters and the Council as regulator (in its section 42A reporting function) to advise whether their expert witnesses in the relevant fields will attend the expert conferencing sessions;
 - c. In conjunction with the Council (as administrator) organise the sessions (including format, topics, agendas, attendance and Joint Witness Statements (JWS), times and venues – in person or on-line as appropriate;
 - d. Liaise with the Council (in its section 42A reporting function) and submitters' experts; and;

- e. Report to the Chair of the Hearing Panel on an as required basis on progress with the conferencing sessions and progress on any JWS setting out the outcomes, including matters agreed and not agreed.
18. While this direction cannot compel the parties to agree to take part in the conferencing sessions or compel expert witnesses to attend and participate, we strongly recommend that they do so. These sessions will provide a degree of formality for those parties and witnesses who attend in an effort to clarify, resolve or narrow the issues in contention. This should ensure that the hearing is more efficient than if the conferencing sessions were not held.

Enquires

19. Any correspondence relating to this Direction and related matters should be sent to the Council's Hearing Administrator, Kayla Hemara via email kayla.hemara@waitomo.govt.nz



Greg Hill (Chair)

for the Hearing Panel

29 July 2024

Appendix 1 – Tranche 2 Hearing Topics

Tranche 2

Part 1

Introduction and General Provisions

1. Mihi
2. Contents
3. Purpose
4. Description of the district

How the Plan works

5. Statutory context
6. General approach
7. Cross boundary matters
8. Relationships between spatial layers

Interpretation

9. Definitions
10. Abbreviations
11. Glossary

National Direction Instruments

12. National policy statements and New Zealand Coastal Policy Statement
13. National environmental standards
14. Regulations

Mana Whenua

15. Mana Whenua

Part 2 – District Wide Matters

Strategic Direction

16. Strategic Direction

Energy, Infrastructure and Transport

17. Energy
18. National Electricity and Gas Transmission
19. Network Utilities
20. Transport

Historical and Cultural Values

24. Historic Heritage
25. Sites and Areas of Significance to Māori

Natural Environmental Values

- 26. Ecosystems and Indigenous Biodiversity
- 27. Natural Character
- 28. Natural Features and Landscapes

Part 3 Area Specific Matters

- 41. Residential zone

Designations

- 55. Designations

Part 4 – Appendices and Maps

Schedules

- SCHEd1 Heritage buildings and structure
- SCHEd2 Significant archaeological sites
- SCHEd3 Sites and areas of significance to Maori
- SCHEd4 Sites and areas of significance to Maori – wahi tapu sites
- SCHEd5 Sites and areas of significance to Maori – cultural alert layer
- SCHEd6 Significant natural areas
- SCHEd7 Outstanding natural landscapes
- SCHEd8 Outstanding natural features
- SCHEd9 Landscapes of high amenity value
- SCHEd12 Karst overlay

Appendices

- APP1 Information requirements for resource consent applications
- APP2 Cultural impact assessment process
- APP3 ICOMOS New Zealand Charter for the Conservation of Places of Cultural Heritage Value
- APP4 Biodiversity offsetting framework
- APP6 Statutory Acknowledgement Areas – Maraeroa A and B Blocks
- APP7 Statutory Acknowledgement Areas – Ngati Tuwharetoa
- APP8 Statutory Acknowledgement Areas – Raukawa

Maps

- Proposed Waitomo District Plan Maps

Please note that this Tranche will also include any other submissions not addressed in the Tranche 1 and 2 topics.

Document ID: 764345

Report To: Council



Meeting Date: 27 August 2024

Subject: **Non-Financial Performance Measures 2024 – Performance Measure 1 (Safety of Drinking Water)**

Type: Decision Required

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

David Karrol
Manager – 3 Waters

1. Purpose of Report

- 4.1 The purpose of this business paper is to present to Council for adoption the additional performance measures for drinking water safety that have come into force on 21 August 2024.

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 'Non-Financial Performance Measures 2024 – Performance Measure 1 (Safety of Drinking Water)' be received.
 2. Council adopt the additional performance measures to be included by reference added to the Long Term Plan 2024-2034 with a target of 'compliance achieved'.
 - (c) 4.7.1 T2 Treatment Monitoring Rules
 - (d) 4.7.2 T2 Filtration Rules
 - (e) 4.7.3 T2 UV Rules
 - (f) 4.7.4 T2 Chlorine Rules
 - (g) 4.8 D2.1 Distribution System Rule
 - (j) 4.11.5 D3.29 Microbiological Monitoring Rule
 3. The existing performance measures for bacteria and protozoa are updated with corrected references.

3. Background

- 3.1 The previous Non-Financial Performance Measures Rules 2013, Performance measure 1 (safety of drinking water) referred to the Drinking-Water Standards for New Zealand 2005. These standards were repealed in 2022 and replaced by a new regulatory regime under Taumata Arowai.
- 3.2 To provide absolute clarity for councils on their reporting and planning requirements, the Secretary of Local Government initiated public consultation on a technical update of the performance measures for water supply.

- 3.3 The scope of these proposed changes was limited to updating the regulatory references in Performance Measure 1 (safety of drinking water) and clarifying definitions in Interpretation - Section 3. The intention of the changes was to remove references to the revoked 2005 standards and replace them with the equivalent measures in the new regulatory framework.
- 3.4 The measures are not intended to provide a means for central government to prescribe service standards for local authorities, but instead are intended to ensure that members of the public can compare the Level of Service provided by different councils. Therefore, although they require local authorities to measure particular things, they do not include any specified targets for local authority performance.

4. Commentary

- 4.1 The updated Non-Financial Performance Measures Rules 2024 (the Rules) were amended following public consultation and came into force on 21 August 2024. Due to the delay attributed to the complexity following consultation this was after the adoption timeframe for the Long-Term Plan (LTP) 2024-2034.
- 4.2 The additional measures with corrected references are outlined below. The targets suggested for these measures is 'compliance achieved' as currently set in the LTP 2024-2034 for the Bacteria and Protozoa Rules.
- 4.3 The Non-Financial Performance Measures Rules 2024 came into force on 21 August 2024. The changes impact Part 2 – Performance Measures, Sub-part 1 Water Supply.

- (1) Performance measure 1 (safety of drinking water)

The extent to which the local authority's drinking water supply complies with the following parts of the drinking water quality assurance rules:

- (a) 4.4 T1 Treatment Rules; *[additional for 26-100 people]*
- (b) 4.5 D1.1 Distribution System Rule; *[additional for 26-100 people]*
- (c) 4.7.1 T2 Treatment Monitoring Rules; *[additional for 101-500 people]*
- (d) 4.7.2 T2 Filtration Rules; *[additional for 101-500 people]*
- (e) 4.7.3 T2 UV Rules; *[additional for 101-500 people]*
- (f) 4.7.4 T2 Chlorine Rules; *[additional for 101-500 people]*
- (g) 4.8 D2.1 Distribution System Rule; *[additional for 101-500 people]*
- (h) 4.10.1 T3 Bacterial Rules; *[existing for 500+ people]*
- (i) 4.10.2 T3 Protozoal Rules; *and [existing for 500+ people]*
- (j) 4.11.5 D3.29 Microbiological Monitoring Rule. *[additional for 500+ people]*
- 4.4 It should be emphasised that compliance with these rules is already a requirement under the Water Services (Drinking Water Standards for New Zealand) Regulations 2022, and the Drinking Water Quality Assurance Rules 2022, therefore no change is required for operational or monitoring requirements.
- 4.5 WDC has transitioned to WaterOutlook for the drinking water compliance monitoring which supports Taumata Arowai reporting requirements. This system allows for monthly

compliance reports to be generated and more easily monitoring against the Drinking Water Rules. The performance measures will be added to the quarterly progress reporting and Annual Reporting going forward following adoption. It should be noted that Piopio water scheme although it serves less than 500 people it must meet the T3 Rules, this is due to the water treatment using membrane technology.

- 4.6 There is still a requirement through the audit process of the Annual Report that Councils provide an independent verification of compliance with performance measure 1 (safety of drinking water). These additional measures, although part of current compliance, will increase the cost of this report due to the requirement to show compliance against each measure for each water scheme.

5. Considerations

5.2 RISK

- 5.3 The intention of the additional measures is to ensure that members of the public can compare the level of service provided by different councils. There is a risk this may cause comparisons to other councils with larger populations and higher levels of water treatment, the public may question whether the same level of service should be met.

5.4 SIGNIFICANCE AND COMMUNITY VIEWS

- 5.5 The Secretary of Local Government initiated public consultation on a technical update of the performance measures for water supply which ran from 22 April 2024 to 10 May 2024. A submission report is available on the DIA website, most of the 22 submissions were from Local Authorities and were in general support of the proposal.
- 5.6 These are mandatory measures that are now required to be reported on and must already meet compliance under the Water Services (Drinking Water Standards for New Zealand) Regulations 2022, and the Drinking Water Quality Assurance Rules 2022, the local community view would support this.

6 Recommendation

- 6.2 It is recommended that the Council adopt the additional Non-Financial Performance Measures 2024 with a target of 'compliance achieved' and will include the additional and corrected rules and by reference into the Long-Term Plan 2024-2034 to be reported on through the subsequent Annual Reporting process.

7 Attachments

Attachment:

1. Non-Financial Performance Measures Rules 2024

Non-Financial Performance Measures Rules 2024

Contents

Non-Financial Performance Measures Rules 2024	1
1. Title	2
2 Commencement	2
3 Interpretation	2
Part 1 – Measurement Period	4
Part 2 – Performance Measures	4
Sub-part 1 - Water supply	4
(1) Performance measure 1 (safety of drinking water).....	4
(2) Performance measure 2 (maintenance of the reticulation network).....	4
(3) Performance measure 3 (fault response times)	4
(4) Performance measure 4 (customer satisfaction).....	5
(5) Performance measure 5 (demand management).....	5
Sub-part 2 – Sewerage and the treatment and disposal of sewage.....	5
(1) Performance measure 1 (system and adequacy).....	5
(2) Performance measure 2 (discharge compliance).....	5
(3) Performance measure 3 (fault response times)	6
(4) Performance measure 4 (customer satisfaction).....	6
Sub-part 3 – Stormwater drainage	6
(1) Performance measure 1 (system adequacy).....	6
(2) Performance measure 2 (discharge compliance).....	6
(3) Performance measure 3 (response times)	7
(4) Performance measure 4 (customer satisfaction).....	7
Sub-part 4 – Flood protection and control works	7
(1) Performance measure 1 (system adequacy and maintenance).....	7
Sub-part 5 – the provision of roads and footpaths	7
(1) Performance measure 1 (road safety).....	7
(2) Performance measure 2 (road condition)	7
(3) Performance measure 3 (road maintenance).....	7
(4) Performance measure 4 (footpaths).....	7
(5) Performance measure 5 (response to service requests).....	7

NON-FINANCIAL PERFORMANCE MEASURES RULES 2024

Pursuant to and in accordance with section 261B of the Local Government Act 2002, the Secretary for Local Government makes the following rules.

RULES

1. Title

These rules are the Non-Financial Performance Measures Rules 2024.

2 Commencement

These Rules come into force on 21 August 2024.

3 Interpretation

In these rules, unless the context otherwise requires, -

abatement notice means a notice served under section 322 of the Resource Management Act 1991

conviction means the conviction of an offence under section 343C of the Resource Management Act 1991

drinking water has the same meaning as in section 6 of the Water Services Act 2021

drinking-water supply has the same meaning as in section 9 of the Water Services Act 2021

drinking water quality assurance rules means compliance rules made under section 49 of the Water Services Act 2021

dry weather sewerage overflow means sewage that escapes a territorial authority's sewerage system and enters the environment during periods of dry weather

enforcement order means an order made under section 319 of the Resource Management Act 1991 for any of the purposes set out in section 314 of that Act; and includes an interim enforcement order made under section 320 of that Act

financial year means a period of 12 months ending on 30 June

flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor

flood protection and control works means physical structures owned by local authorities and designed to protect urban and rural areas from flooding from rivers, including ancillary works such as channel realignment or gravel removal

footpath means so much of any road as is laid out or constructed by a territorial authority primarily for pedestrians or cyclists; including its edging, kerbing, and channelling, and includes dedicated cycleways

habitable floor means a floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages

infringement notice means a notice issued under section 343C of the Resource Management Act 1991

local authority means a regional council or a territorial authority

major flood protection and control works means flood protection and control works that meet two or more of the following criteria:

- a) operating expenditure of more than \$250,000 in any one year
- b) capital expenditure of more than \$1 million in any one year
- c) scheme asset replacement value of more than \$10 million, or
- d) directly benefitting a population of at least 5,000 people

networked reticulation system means the pipes, pumps and any ancillary infrastructure necessary for supplying drinking water from the output of a treatment plant to the point of supply

real water loss includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft, but does not include unauthorised consumption

regional council has the same meaning as in section 5(1) of the Local Government Act 2002

road has the same meaning as in section 315 of the Local Government Act 1974

sealed local road network means all roads having a sealed or paved surface within a territorial authority's district subject to the exclusions set out in section 317 of the Local Government Act 1974

sewerage overflow means sewage that escapes a territorial authority's sewerage system and enters the environment

sewerage system means the pipes and infrastructure that collect, convey, pump and treat sewerage and other liquid wastes from the point of connection to a treatment facility, including single purpose or combined sewers

smooth travel exposure means a measure of the percentage of vehicle kilometres travelled on roads that occurs above the targeted conditions for those roads, calculated in accordance with standard industry methodology

stormwater system means the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off from the point of connection to the point of discharge

territorial authority means a city council or a district council named in Part 2 of Schedule 2 to the Local Government Act 2002

territorial authority district means a district in respect of which a territorial authority is constituted; and, in relation to land in respect of which the Minister of Local Government is the territorial authority, means that land

Part 1 – Measurement Period

Any calculation, measure, number or percentage set out in Part 2 of these Rules must be calculated for a financial year (unless otherwise specified in these Rules).

Part 2 – Performance Measures

Sub-part 1 - Water supply

(1) Performance measure 1 (safety of drinking water)

The extent to which the local authority's drinking water supply complies with the following parts of the drinking water quality assurance rules:

- (a) 4.4 T1 Treatment Rules;
- (b) 4.5 D1.1 Distribution System Rule;
- (c) 4.7.1 T2 Treatment Monitoring Rules;
- (d) 4.7.2 T2 Filtration Rules;
- (e) 4.7.3 T2 UV Rules;
- (f) 4.7.4 T2 Chlorine Rules;
- (g) 4.8 D2.1 Distribution System Rule;
- (h) 4.10.1 T3 Bacterial Rules;
- (i) 4.10.2 T3 Protozoal Rules; and
- (j) 4.11.5 D3.29 Microbiological Monitoring Rule.

(2) Performance measure 2 (maintenance of the reticulation network)

The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).

(3) Performance measure 3 (fault response times)

Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:

- (k) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and

- (b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.
- (c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and
- (d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.

(4) Performance measure 4 (customer satisfaction)

The total number of complaints received by the local authority about any of the following:

- (a) drinking water clarity
- (a) drinking water taste
- (b) drinking water odour
- (c) drinking water pressure or flow
- (d) continuity of supply, and
- (e) the local authority's response to any of these issues

expressed per 1000 connections to the local authority's networked reticulation system.

(5) Performance measure 5 (demand management)

The average consumption of drinking water per day per resident within the territorial authority district.

Sub-part 2 – Sewerage and the treatment and disposal of sewage

(1) Performance measure 1 (system and adequacy)

The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system.

(2) Performance measure 2 (discharge compliance)

Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:

- (a) abatement notices
- (b) infringement notices
- (c) enforcement orders, and
- (d) convictions,

received by the territorial authority in relation those resource consents.

(3) Performance measure 3 (fault response times)

Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:

- (a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and
- (b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.

(4) Performance measure 4 (customer satisfaction)

The total number of complaints received by the territorial authority about any of the following:

- (a) sewage odour
- (b) sewerage system faults
- (c) sewerage system blockages, and
- (d) the territorial authority's response to issues with its sewerage system,

expressed per 1000 connections to the territorial authority's sewerage system.

Sub-part 3 – Stormwater drainage

(1) Performance measure 1 (system adequacy)

- (a) The number of flooding events that occur in a territorial authority district.
- (b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)

(2) Performance measure 2 (discharge compliance)

Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:

- (a) abatement notices
- (b) infringement notices
- (c) enforcement orders, and
- (d) convictions,

received by the territorial authority in relation those resource consents.

(3) Performance measure 3 (response times)

The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

(4) Performance measure 4 (customer satisfaction)

The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.

Sub-part 4 – Flood protection and control works

(1) Performance measure 1 (system adequacy and maintenance)

The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the local authority's relevant planning documents (such as its activity management plan, asset management plan, annual works program or long term plan).

Sub-part 5 – the provision of roads and footpaths

(1) Performance measure 1 (road safety)

The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.

(2) Performance measure 2 (road condition)

The average quality of ride on a sealed local road network, measured by smooth travel exposure.

(3) Performance measure 3 (road maintenance)

The percentage of the sealed local road network that is resurfaced.

(4) Performance measure 4 (footpaths)

The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).

(5) Performance measure 5 (response to service requests)

The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.

Date of notification in Gazette: 21 November 2013

Date laid before the House: [to be inserted]

Document ID: 766175

Report To: Council Meeting



Date: 27 August 2024

Subject: **Review of the Land Transport Bylaw 2015 and Determinations Report**

Type: Decision Required

Authors: Charmaine Ellery
Manager – Strategy and Policy

Alex Bell
General Manager – Strategy and Environment

Purpose of Report

- 1.1 The purpose of this business paper is to present the Land Transport Bylaw determinations report for Council consideration.

Suggested Resolutions

1. The Business Paper on the Review of the Land Transport Bylaw 2015 and Determinations Report be received.
2. Council determines that a bylaw continues to be the most appropriate way of addressing the perceived problems that arise in relation to the matters addressed within the Land Transport Bylaw 2015 in accordance with section 155(1) of the Local Government Act 2002.
3. Council approves the initiation of a review of the Land Transport Bylaw 2015 in accordance with section 158 of the Local Government Act 2002.

Background

2.1 LAND TRANSPORT BYLAW 2015

- 2.2 Waitomo District Council's Land Transport Bylaw 2015 (the Bylaw) was first introduced and adopted by Council in 2010. Under section 158 of the Local Government Act (LGA) 2002 Council was required to review the Bylaw after five years. This review was completed in 2015 which allows another ten years before a review is required again.
- 2.3 The Bylaw is due for review by April 2025, if this review is not completed, the Bylaw will cease to have effect two years after the date on which the Bylaw was required to be reviewed. The review is being pulled forward to 2024 to fit into workload requirements of the Strategy and Policy Team, including the Annual Plan in early 2025.
- 2.4 Following this review, another review will not be required for a further ten years, in 2034, unless deemed necessary earlier. However, changes can be made to the Bylaw Schedules between reviews, these identify traffic rules for certain locations and include things like parking restrictions and no stopping areas. These can be changed by Council resolution.

- 2.5 There was limited engagement during the public consultation of the Bylaw in 2015 with no submissions received. Relatively minor amendments were adopted.
- 2.6 The Bylaw was made under the general bylaw making powers conferred by the LGA, as well section 22AB of the Land Transport Act 1998 (LTA) and the Local Government Act 1974 (LGA 1974).
- 2.7 The scope of the Bylaw is to:
- a) restrict or permit activities and objects on roads, including road reserve.
 - b) restrict or permit traffic movement, including parking, heavy vehicle prohibitions, and movement on footpaths.
 - c) control the movement of stock on roads and stock underpasses.

2.8 LEGISLATIVE CONTEXT

2.9 The Land Transport Act 1998

- 2.10 Council is a road controlling authority under the LTA and can make bylaws under this Act in relation to roads and parking areas under its control (i.e. local roads). Under the LTA 1998, the Council may make bylaws for all or any of the following purposes: vehicle and road use, heavy traffic restrictions, parking, road signs and road marking, livestock on roads, displays, vegetation and access around or on roads, weights and measurements of vehicles and loads, pedlars, and general matters relating to road safety and environmental protection.

2.11 The Local Government Act 2002

- 2.12 The LGA gives councils the authority to make, amend and revoke bylaws. In reviewing and developing bylaws, the Council is required to follow both the decision making and consultation requirements set out in the LGA. Each bylaw must be assessed in terms of its costs and benefits to the community, as well as an assessment of the other options available to the council to regulate or remedy the problem. Under section 160 of the LGA, if after the review the Council considers that the bylaw should be amended, revoked, or revoked and replaced, it must use a special consultative procedure to effect these changes.
- 2.13 If Council considers that the bylaw should continue without amendment, it must also use the special consultative procedure before the review is complete. The diagram below sets out the Bylaw creation and review process.
- 2.14 Bylaws do not have the authority to override primary legislation, they seek to supplement and support national rules with local rules. All bylaws must be reasonable. Bylaws must focus on providing a remedy to the identified problem. Amongst other things, the requirement to be reasonable relates to the bylaw not unnecessarily impacting upon a person's freedom. A bylaw must not be inconsistent with the New Zealand Bill of Rights Act 1990.
- 2.15 The Bylaw creation and review process is shown in Figure 1 below:

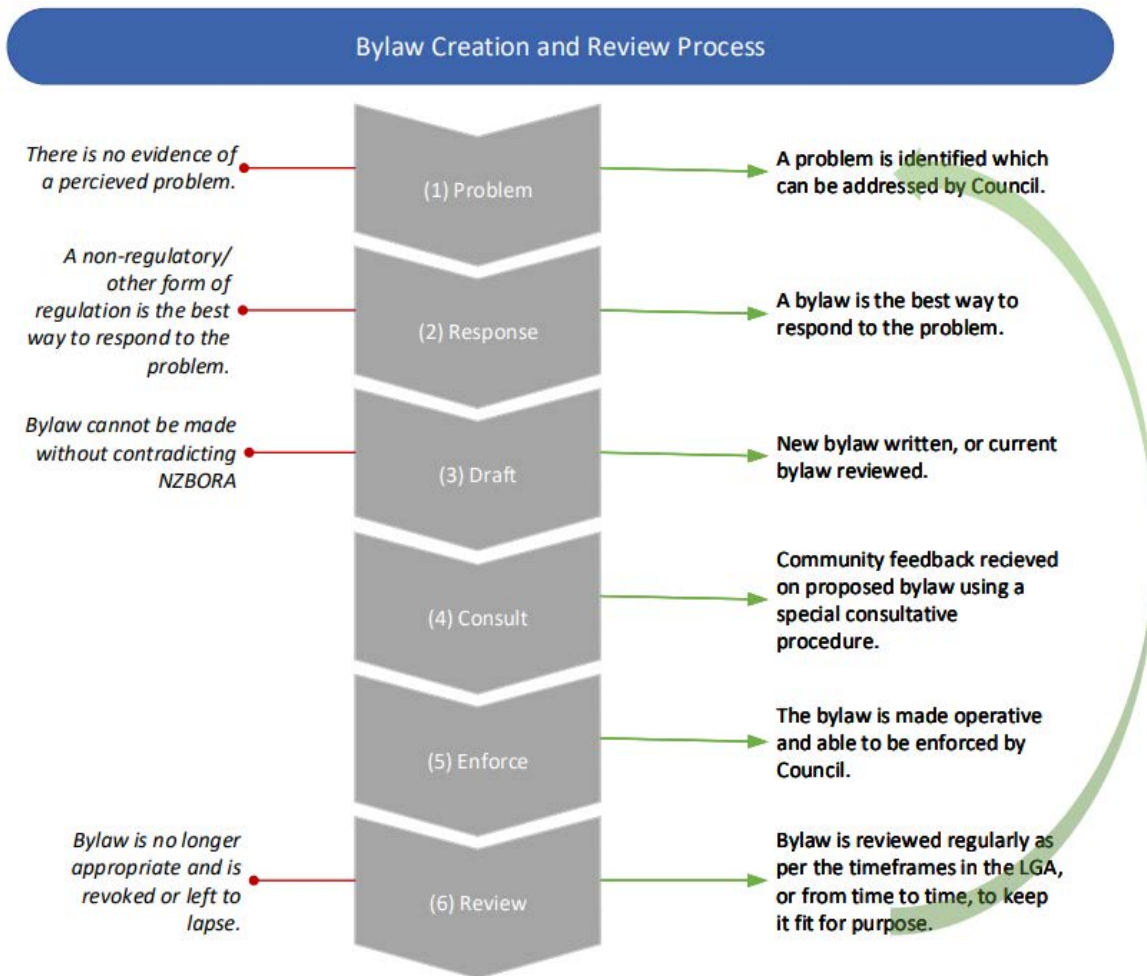


Figure 1: Bylaw creation and review process.

2.13 Local Government Act 1974

2.14 The LGA 1974 retains many of the provisions for councils relating to local roads. Specifically, section 344 empowers Council to make bylaws regulating the use of swing gates and cattle stops erected as permitted by the LGA 1974.

Commentary

3.1 DETERMINATIONS

3.2 Under section 155 of the LGA, the Council is required to determine whether a bylaw is the most appropriate way of addressing the perceived problem, determine whether the proposed bylaw is the most appropriate form of bylaw, and determine that the proposed bylaw is not inconsistent with the New Zealand Bill of Rights Act 1990 (NZBORA). The deliberations report fulfils the first requirement of section 155, an assessment against the NZBORA to be completed when a proposed draft bylaw is presented to the Council for consideration.

3.3 PERCEIVED PROBLEM ANALYSIS

3.4 Information about perceived problems has been gathered using Council records of public enquiries and complaints, advice from compliance staff, and from discussions with other relevant staff across the organisation. The below summary sets out the perceived problems in the District, which cause issues that are regulated through the Bylaw.

- 3.5 Council has received and recorded 134 requests for services for issues under the current Land Transport Bylaw 2015 between the period of 2019 to 2024. These can be categorised under the following breakdown.

Request category	Total 2019 - 2024
Disability parking	2
Parking on footpath, berm, or easement	10
Yellow lines	7
Shop parking	17
Truck parking	9
Truck turning	1
Mobility scooter	3
One-way street	1
Engine braking	2
School crossing/footpath	1
Pedestrian crossing	3
Abandoned vehicle	51
Bus stop	1
Electric scooter/scooter/bike/e-bike/skateboard/roller blade/roller skate	1
Droving, issues moving stock	12
Cattle stop	5
Stock underpass	2
Road encroachment	6
TOTAL	134

- 3.6 Some problem areas do not necessarily generate service requests such as activities that cause road damage which would be captured and processed internally.

3.7 **Perceived problems appropriately addressed through a bylaw:**

3.8 **Road and vehicle use**

- 3.9 Safety concerns around obstructions and illegally parked vehicles being put or left on roads and causing hazards, under the Bylaw notice can be issued for its removal. Circumstances where encroachment into the road reserve can be allowed for while requiring a licence to occupy.

3.10 **Road damage**

- 3.11 The Bylaw inhibits activities that damage roads, Council have the ability to recover the cost of repairs for any breaches. Roads are our largest asset and the cost of repair can be significant, repairs must meet all compliance requirements.

3.12 **Vehicle crossings and access**

- 3.13 Vehicle crossings (i.e. from private driveway to a public road) are required to access roads and be of a certain standard. Conditions and requirements are outlined in the Bylaw.

3.14 **Traffic movements, stopping, standing and parking**

3.15 In some instances, it is necessary to control vehicle movements, and stopping and parking areas due to safety or physical constraints of a road, or to allow access to facilities. Currently there are no roads in the schedule where vehicle movements are restricted (i.e. no-U-turn restrictions).

3.16 This area is the most common request for service area covered by this bylaw.

3.17 **Heavy vehicles and weight restrictions**

3.18 Restrictions for heavy vehicles are currently managed at a local level, especially for bridges. Some smaller bridges in the district can only withstand weights lower than the standard 44 tonne limit, access to bridges for trucks weighing over 44 tonnes is managed by permit which allows conditions to be included. Permits for bridges can be issued under Land Transport Rules, culverts and bridges can be restricted by way of a bylaw.

3.19 **Restrictions on road use**

3.20 At times it is necessary to place restrictions on roads for a variety of reasons such as to be used for public events, safety reasons or to prevent road damage. Retaining these clauses in the Bylaw allows for these to be managed locally and on a case by case basis as required.

3.21 **Animals and stock on roads**

3.22 Public issues relating to livestock being moved on public roads have been raised regularly as an issue often associated with traffic and public safety.

3.23 **Stock underpasses**

3.24 There are currently 13 stock underpasses recorded in the Waitomo District roading network. Enquiries on installing underpasses have been received in recent years. The construction, installation and maintenance of these is covered by clauses within the Bylaw with a memorandum of understanding clause binding the underpass and the on-going maintenance to the property title.

3.25 **General bylaw**

3.26 The Bylaw does require, as a minimum, updates to references to current legislation. There is also an opportunity to review the language and clarity of clauses, offences and penalties to improve the readability and understanding of requirements and conditions of the bylaw and how it is applied within current legislation.

3.27 Schedules can be updated by Council resolution. Should a review proceed, all schedules will need to be checked for accuracy and updated accordingly. In some instances, the current use of a road does not match what is in the Bylaw schedule. Council will need to assess these uses and decide if the use is appropriate and whether the schedule be updated or the use changed to what is currently in the Bylaw.

3.28 **Legislative change**

3.29 **Speed Limits**

3.30 With the establishment of the Land Transport Rule: Setting of Speed Limits 2022, bylaws were no longer the governing legislation on setting speed limits. The Land Transport (Register of Land Transport Records - Speed Limits) Regulations 2022 allows for the revocation of the part of a bylaw setting a speed limit. The Land Transport Rule: Setting of Speed Limits 2024 is in the process of development with public consultation recently closing. It is expected to come into effect towards the end of the year. The 2024 Rule will still be the governing legislation for the setting of speed limits.

3.31 Analysis of Options

The following options are the most practicable to address the perceived problems:

1. Review and amend the current bylaw (recommended).
2. Retain without amendment (remove speed schedules only).
3. Revoke the bylaw and rely on alternative regulation and voluntary cooperation to ensure compliance.

3.32. OPTION ONE REVIEW AND AMEND THE CURRENT BYLAW

3.32 This option involves reviewing the Bylaw in light of learnings from the operation of the Bylaw since it was last reviewed.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Provides Council with the most appropriate tool to respond to issues pertaining to road and vehicle use, traffic and parking restrictions, animals and livestock on roads. • Allows Council to take into consideration and if appropriate incorporate any new information available since the last review. • Consistent with Council's previous approach to having a bylaw on this matter. • Proactive approach to regulation. • Community views and preferences will be collected as part of the review process. • Allows all schedules to be updated by Council resolution with the revised bylaw. 	<ul style="list-style-type: none"> • Council resources and time required to undertake review. • Staff, public and key stakeholders will need to re-familiarise themselves with the changed instrument.

3.33 OPTION TWO: RETAIN THE CURRENT BYLAW WITHOUT AMENDMENT

3.34 Under this option, the Council would resolve that, given the findings in this report, the current Bylaw should continue without amendment under section 160(3)(b) of the LGA. This option is not recommended.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Saves resources and time in the review process. • Still allows the Community to participate in consultation relating to this issue via the special consultative procedure (SCP). • Avoids need to refamiliarise any parties with a new instrument or regulatory approach. • Speed limit schedule would be removed by a simple Council resolution. 	<ul style="list-style-type: none"> • Restricts Council's ability to make changes, and if significant changes are required as a result of public consultation, further consultation may be required. • The Bylaw would not be updated and would not reflect any updates and new approaches to regulation within the local government sector. • Any views arising from an SCP will not be incorporated into the bylaw. • Potential accidental restriction of active and low-carbon modes of transport. • Unable to take into account any learnings from recent enforcement action.

OPTION THREE: REVIEW AND REVOKE THE BYLAW AND RELY ON ALTERNATIVE MECHANISMS AND EXISTING LEGISLATION TO ENSURE COMPLIANCE

- 3.35 This option would require the Council to create an alternative approach to regulate vehicle and road use on local roads, maintenance of stock crossings, and other non-specific general road use activities. This alternative approach may be through policy, education or other approaches. The Council would need to rely on alternative regulation where relevant to ensure compliance with any alternative regulations, for example the District Plan, other bylaws or other such provisions.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Provides a non-adversarial approach. • Reduces Council's regulatory role and enforcement burden. • Still allows the community to participate in consultation relating to this issue via the special consultative procedure for revocation. • Would not require resources for future review. 	<ul style="list-style-type: none"> • The current Bylaw would still need to be revoked, requiring a special consultative procedure. • Inconsistent with Council's previous approach to have a bylaw to regulate this matter. • Council will not have a specific tool to respond to issues occurring as a result of use of vehicles and local roads. • Does not respond to the high number of service requests pertaining to issues currently addressed by this bylaw.

Considerations

4.1 Risk

- 4.2 There is very little risk involved in undertaking a bylaw review. Council will review and approve a draft statement of proposal and draft bylaw, prior to public consultation.

4.3 Consistency with existing plans and policies

- 4.4 Reviewing the Bylaw retains consistency with the historical Council position to have a bylaw on this matter.

4.5 Significance and Community Views

- 4.6 Community consultation via a special consultative procedure is required when a bylaw is made, reviewed, or revoked. If the Council resolves to initiate a review of the Bylaw.

Recommendation

- 5.1 It is recommended that Council:

- (a) Determines that a bylaw continues to be the most appropriate way of addressing the perceived problems that arise in relation to the matters addressed within the Waitomo District Land Transport Bylaw 2015 in accordance with section 155(1) of the Local Government Act 2002; and
- (b) Approves the initiation of a review of the Waitomo District Land Transport Bylaw 2015 in accordance with section 158 of the Local Government Act 2002.