

Council

Open Agenda



Notice is hereby given that an ordinary meeting of Matamata-Piako District Council will be held on:

Date: Wednesday 13 December 2017
Time: 9.15am
Venue: Council Chambers
35 Kenrick Street
TE AROHA

Membership

Mayor

Jan Barnes, JP

Councillors

Donna Arnold
Teena Cornes
Paul Cronin
Neil Goodger
Brian Hunter
Peter Jager

James Sainsbury
Ash Tanner
Kevin Tappin
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1 Meeting Opening

2 Apologies

At the close of the agenda no apologies had been received.

3 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

4 Urgent Additional Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

5 Declaration of interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

6 Confirmation of minutes

Minutes, as circulated, of the Ordinary Meeting of Matamata-Piako District Council, held on 8 November 2017

7 Matters Arising

8 Announcements

9 Notices of Motion

Heads of Agreement Review and Maori involvement in decision-making

Trim No.: 1955551

Executive Summary

Over the past few months Te Manawhenua Forum (Forum) has held discussions about a review of its Heads of Agreement (HOA) with Council, and how it would like to engage with Council going forward including its involvement in decision making.

Following a Forum workshop in May and meeting in June, the matter was formally reported to Council in July. The report to Council included the background and current practice relating to iwi engagement and provided Council with the feedback from the Forum. The Forum then held another workshop in November to discuss further amendments.

Council has a Heads of Agreement with the Forum (attached – as amended and sent to the December Forum meeting) setting out the principles of the relationship between the parties, and the roles and responsibilities. This agreement was last reviewed in 2013. Forum members asked that this is reviewed again to better reflect how the relationship has evolved and is now moving into a post-Treaty settlement era.

The purpose of this report is to provide Council with feedback from the on the Heads of Agreement review and further engagement to strengthen the relationship between iwi and Council.

The Council is asked to consider the feedback from the Forum (a verbal update will be given on the outcome of the December Forum meeting where the attached will be discussed) and confirm how it wishes to proceed from here.

Recommendation

That:

- 1. The report be received.**
- 2. The Forum considers the proposed further amendments and confirms how it wishes to proceed.**

Content

Background

Heads of agreement

Forum members have expressed a wish to review the existing HOA to better reflect the current situation and the current and impending post-settlement relationships with Council (the HOA was last reviewed in 2013). A Forum workshop was held 9 May 2017 to discuss and review the current HOA as well as providing Forum members with an update on the Resource Management Amendment Legislation (RMAL) and Council's Long Term Plan 2018-28.

Following the workshop a report summarising the discussion was presented to the Forum meeting 6 June, and staff were authorised to initiate discussions with Council on the review of the HOA and how the Forum would like to engage with Council going forward including its involvement in decision making. This was discussed formally with Council at their meeting 12 July. The Forum

then held another workshop in November to discuss further amendments and considered these amendments at its December meeting.

Work Programme

Also attached is the work programme that has been proposed for the Forum (to be considered at its December meeting). The work programme covers a number of items which have been identified either by the forum or by Council for progression in 2018.

Issues

The following table is a summary of feedback from the Forum workshop on the Review of the Heads of Agreement and Council's response earlier in the year (further details are provided below);

Forum feedback	Councils response
1. Standing Committee or Independent Forum	<i>Maintain Standing Committee status</i>
2. Delegation to appoint non-elected members to the Forum.	<i>May consider delegation provided clear framework in place to guide the appointment process.</i>
3. Forum members indicated that they would like to see a similar framework to that provided for in Auckland.	<i>This option is not available to Matamata-Piako iwi, as the Auckland Statutory Maori Board was created by the Local Government (Auckland Council) Act 2009 section 81.</i>
4. Include an annual budget in the Long Term Plan to assist iwi with the development of iwi management plan, with an aim to complete one IMP each year.	<i>No budgetary allowance, however staff are available to provide feedback on Plans. The Forum and/or individual iwi have the opportunity to submit a proposal for funding to the Long Term Plan grants and draft budgets.</i>
5. Delegation to formally receive iwi management plans	<i>May consider a joint delegation to the Forum to receive iwi management plans.</i>
6. How are 'matters of interest to mana whenua' determined	<i>Refer Iwi relationship agreements below</i>
7. Additional technical support to Forum members	<i>Council has not included any additional funding towards Forum technical support in its draft Long Term Plan.</i>
8. Additional functions of the Chairperson including representing the Forum by attending events, reporting to Council and Committee.	<i>Council would like to extend an invitation to the Forum Chair or her representative to attend Council or Corporate Operations Committee meetings to report back on matters discussed at Forum meetings.</i>
9. Meeting frequency	<i>Council indicated that they would be happy with the Forum setting its own meeting frequency so long as the cost of meetings will remain within existing budgets.</i>
10. Engagement with central government agencies, regional council and elected members	<i>Council indicated a desire to host joint workshops with the Forum when discussing matters with central government agencies.</i>
11. A process for notifying Iwi as part of the process for disposal of surplus property	<i>This may be considered as part of the individual iwi relationship agreements.</i>
12. Iwi relationship agreements and Mana Whakahono a Rohe	<i>Council have asked staff to proceed with engagement with individual iwi to initiate work on iwi agreements. It is anticipated that these</i>

	<i>agreements would also set out the guidelines for what matters are or may potentially be of mana whenua interest to that iwi/hapu.</i>
13. Strategic direction and work programme	<i>Council indicated that they would be happy to consider additional items under the Work programme within the HOA.</i>

1. Standing Committee or Independent Forum

The Forum was first established as a Standing Committee of Council in 2004. Since then it has remained a Standing Committee following the subsequent local body elections, and was re-confirmed as such following the 2016 elections. Forum members discussed the merits of being a standing committee versus an autonomous forum providing recommendations and advice to Council.

Council are satisfied that a Standing Committee remains the most appropriate framework for a collaborative iwi engagement between Council and the district's various iwi.

2. Delegation to appoint members

Under the current format and HOA Forum members must be appointed by Council. Under the Local Government Act 2002, Council can delegate to the Forum the authority to appoint non-elected members onto the Forum. This delegation could be made under a framework which guides the appointment of members.

Council indicated that they would take a favourable view on delegating the appointment of members to the Forum itself, so long as there is a clear framework in place to guide the appointment process.

3. Independent board

Forum members indicated that they would like to see a similar framework to the Auckland Council's independent statutory Maori board, which is provided for under legislation.

This option is not available to Matamata-Piako iwi, as the Auckland Statutory Maori Board was created by the Local Government (Auckland Council) Act 2009 section 81.

3. Iwi Management Plans

To date, two iwi management plans (IMP) have been lodged with Council; Waikato-Tainui Environmental Plan and Raukawa Environmental Management Plan 2015. The Forum workshop noted that there has been minimal progress on the development of other iwi management plans throughout the district. Forum members suggested that maybe Council could provide resource and/or funding assistance for the development of iwi management plans. One option that was put forward was to include an annual budget in the Long Term Plan for such assistance, and aim to complete one IMP each year.

While Council has not included a separate budget towards the development of iwi management plans in its Draft Long Term Plan, they have indicated a support for iwi to develop these plans and would consider making staff available as appropriate to assist in the development of these.

The Forum and/or individual iwi have the opportunity to submit a proposal for funding to the Long Term Plan grants and draft budgets.

4. Delegation to receive Iwi management plans

Forum members noted that the current HOA specifically states that the Forum does not have the delegation to formally receive iwi management plans on behalf of Council. It was suggested that this should be changed.

Council indicated that they would consider a joint delegation to the Forum to receive iwi management plans.

5. Determining/monitoring 'matters relating to mana whenua interest'

The current HOA and work programme includes an item for determining and monitoring 'matters relating to mana whenua interests.' However there was discussion at the workshop about how these 'matters' are defined, and who determines whether they are of interest to mana whenua.

Development of individual iwi agreements (as outlined under point 12 in this report) may also go some way in setting out the guidelines for what matters are or may potentially be of mana whenua interest to that iwi/hapū.

Council have asked staff to proceed with engagement with individual iwi to initiate work on iwi relationship agreements as resources allow. It is anticipated that these agreements would also set out the guidelines for what matters are or may potentially be of mana whenua interest to that iwi/hapu.

6. Technical Support

The Forum would like to look into the cost and feasibility of having additional resources available to provide technical support to iwi representatives on complex matters such as District Plan reviews and providing advice and an iwi perspective to reports presented to the Forum.

There was discussion during the Forum workshop on what this may look like. It was suggested that such a resource should be employed by the iwi/hapū and not a council staff member. The suggestion included providing for a budgetary allowance for each iwi/hapū to use at their discretion for technical advice.

There was also discussion around whether Forum members can invite their iwi technical advisors to attend Forum meetings in place of the alternate representative. The Forum is a committee of Council, and is open to the public including any additional staff/advisors that the iwi/hapū may wish to invite. Under the current HOA there is no financial compensation available towards such advice.

Council currently provides \$250 financial compensation to Forum members for each meeting they attend, as well as mileage for distance travelled to meeting venue (within District). There are currently eight Iwi represented on the Forum, each entitled to have two members attend each meeting. The total compensation to each iwi/hapū can be up to \$2,360 per year (incl mileage). Current attendance trends have been between six and eight members attending each meeting. This has resulted in the budget being underspent every year since 2012/13.

At its meeting in July Council considered alternative options for allocating the funding for meeting attendance. It was felt that the current arrangement works well, but that Council would be open to review this should the Forum wish to put forward a proposal for how it wishes to allocate its budget. Council has not included any additional funding towards Forum technical support in its draft Long Term Plan.

7. Functions/Duties of Forum Chairperson

The current HOA includes sections defining the Functions of the Forum and Duties of the Council. It was suggested that additional functions of the Chairperson should be included in the HOA. These functions would include representing the Forum by attending events, and reporting to Council and Committee. Under the current arrangement Forum minutes are received by Council. Forum members suggested that by having the Chairperson or a representative of the Forum reporting to Council would provide the iwi perspective and insight into the discussions. This would also provide an opportunity for the Forum to raise matters of interest directly to Council and build a closer relationship with elected members.

Council would like to extend an invitation to the Forum Chair or her representative to attend Council or Corporate Operations Committee meetings to report back on matters discussed at Forum meetings.

8. Meeting frequency

Forum members discussed how frequently they wish to meet. It was noted that quarterly meetings is a long time between meetings, and in some instances this means that the Forum is asked to receive information retrospectively with a Council decision already having been made. There was a suggestion to have bi-monthly meetings, or alternatively have four formal meetings with potential workshop dates in between. Currently additional workshops are funded from within existing budgets for the Forum.

Council indicated that they would be happy for the Forum to set its own meeting frequency so long as the cost of meetings remain within existing budgets.

The Forum is asked to consider the required meeting frequency for 2018 to be agreed at the next Forum meeting in December.

The Forum has the opportunity to submit a proposal to increase the Forum budget to the Long Term Plan grants and draft budgets.

9. Engagement with central government agencies, regional council and elected members

During the workshop, Forum members discussed how the Forum can improve its engagement with regional council and central government agencies. One suggestion was to invite Te Pune Kōkiri (TPK) to attend a Forum meeting to discuss the recent announcement of Maori housing funding. Staff have made contact with TPK and awaiting a response.

Council indicated a desire to host joint workshops with the Forum when discussing matters with central government agencies.

The Forum is asked to consider this.

10. A process for notifying Iwi as part of the process for disposal of surplus property

Forum members asked whether Council has a process for engaging with iwi if and when a property has been identified as surplus to Council requirements. Reference was made to Auckland Council and Panuku Property Development Board.

Panuku has a robust form of engagement with mana whenua groups across the region. Each relevant mana whenua group is contacted independently by email and provided general property

details, including a property map, and requested to provide any feedback within 15 working days. Panuku's engagement directs mana whenua to respond with any issues of particular cultural significance the group would like to formally express in relation to the subject properties. They also request express notes regarding any preferred outcomes that the group would like us to consider as part of any disposal process. Mana whenua groups are also invited to express potential commercial interest in any sites and are put in contact with Panuku's Development team for preliminary discussions if appropriate to the property. This facilitates the groups' early assessment of the merits of a development opportunity to their iwi. In the event a property is approved for sale all groups are alerted of the decision, and all groups are alerted once a property comes on the market.

This may be considered as part of the individual iwi relationship agreements.

11. Iwi Relationship Agreements

The current work programme for the Forum (attached) identifies individual Iwi agreements as a work stream, these agreements can take any form – an example from Auckland Council is attached to this report, and would typically set out any protocols agreed with Iwi on engagement, mutual aspirations etc. These agreements may incorporate or sit alongside Mana Whakahono a Rohe – which are detailed below under the legislative section of this report. It is suggested that these agreements have the potential to be of benefit to both parties – clarifying the line of communication and expectations when dealing with each other.

Council has authorised staff to proceed with the initial discussions with individual iwi to develop iwi relationship agreements as resources allow.

12. Strategic direction and work programme

As part of the discussion on the HOA, the review of the annual work programme (current programme attached) was also discussed. A question was raised whether the Forum needs to develop a Strategic Direction to inform their work programme.

Suggestions for additional items for 2017 work programme arising from the workshop included:

- The Forum supports the Mayoral Tuia Rangatahi programme (LGNZ leadership development programme) - Council provides \$2,000 in funding towards the cost of the Tuia Rangatahi attending four to five hui each year. This is funded from a separate budget. The programme is an intentional, long term, intergenerational approach to develop the leadership capacity of young Maori. Each year the Mayor invites the local iwi to nominate a young Maori from their district to mentor on a one-to-one basis, to encourage and enhance leadership skills.
- Assist with development of iwi management plans. Please refer to IMPs earlier in this report.
- Support Council to develop individual iwi relationship agreements.

These have all been included in the revised Heads of Agreement attached to this report, as, well as further amendments following the Forum's November workshop which are shown in red.

Analysis

Options considered

The Council is asked to consider how it wishes to progress from here with the review of the Heads of Agreement.

Legal and statutory requirements

The Mayor has the power under the Local Government Act 2002 to appoint Committees of Council and its Chairperson. Following the 2016 Local Body Elections Mayor Barnes appointed Te Manawhenua Forum mo Matamata-Piako as a Standing Committee of Council, and Te Ao Marama Maaka was appointed the Chairperson.

Both LGA and Resource Management Act (RMA) require local authorities to recognise and respect the Crown's responsibilities under the Treaty of Waitangi, and to maintain and improve opportunities for Maori to contribute to local government decision making processes.

Iwi in and around the Matamata-Piako District are currently negotiating with the Crown and are at various stages of settling Treaty of Waitangi claims. While these agreements are between the Crown and Iwi, we will be affected by the outcome of these settlements, particularly where Iwi are seeking co-governance of natural resources.

Consistency with the Long Term Plan / Annual Plan

The Long Term Plan 2015-25 describes how Te Manawhenua Forum mo Matamata-Piako, through the HOA, contributes to facilitation of Mana Whenua contribution to decision-making.

Council is currently preparing its LTP 2018-28, and the information regarding Maori involvement in decision-making will be reviewed as part of this process. The Heads of Agreement review forms part of this process.

Impact on Significance and Engagement Policy

The review of the HOA is not considered significant under Council's existing Significance and Engagement Policy.

Communication, consultation and decision making processes

A Forum workshop was held 9 May 2017 to initiate the review of the HOA. The Forum formally discussed the HOA at its meeting in June, and feedback from the Forum was discussed with Council in July with another workshop by the Forum in November. This report provides the Council with the feedback and response from Council.

Timeframes

There is no set timeframe for the review of the HOA. If the review results in a change in resource requirements (either staff support or financial), a proposal can be made as a submission to the draft Long Term Plan consultation in March/April 2018 by the Forum.

Contribution to Community Outcomes

Te Manawhenua Forum mo Matamata-Piako is a standing committee of Council. The Forum contributes to the community outcomes relating to decision-making, and in particular;

Tangata Whenua with manawhenua status (those with authority over the land under Maori lore) have meaningful involvement in decision making.

Financial Impact

i. Cost

The total cost of the HOA review will depend on number of meetings and workshops required to reach agreement among Forum members and with Council on a revised HOA.

There will also be additional staff time required to facilitate workshops, attend meetings, and coordinate feedback and drafting of the HOA.

ii. Funding Source

The HOA review is funded from the existing budget allocated to the Forum.

Attachments

- A. Heads of Agreement Clean Copy
- B. Forum work programme 2018

Signatories

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Approved by	Don McLeod Chief Executive Officer	
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Waikato Plan Minutes of meeting held 16 October 2017

Trim No.: 1954072

Executive Summary

The purpose of this report is to provide the minutes of a meeting of the Waikato Plan Leadership Group meeting on 16 October 2017.

Recommendation

That:

1. The information be received.

Content

Background

The Waikato Plan Leadership Group is a Joint Committee comprised of local government (elected members), tāngata whenua representatives, business and community representatives and government agencies. The Leadership Group has been established to govern, lead and resource the implementation of the Waikato Plan and any reviews or updates to the Plan. The aim of the Waikato Plan is for the region to speak with 'one voice' on agreed top priorities and 'to build champion communities together'.

Council adopted the Waikato Plan at its meeting on 12 July 2017.

Issues

The Waikato Plan website <http://www.waikatoplan.co.nz/> provides an overview of the plan and the Joint Committee agendas and minutes.

The following matters were discussed at the Waikato Plan Leadership Group meeting on 16 October 2017:

Waikato Plan priorities, 10 key actions and lead agencies

Attached to the report is an infographic of the top priorities and projects of the Waikato Plan and the agencies responsible for these initiatives.

Joint Committee membership

As previously noted to Council there is provision for up to six tangata whenua representatives.

The Iwi Trust Boards have been approached to provide representation through the Independent Chair. This has been supported by the Waikato Regional Council Chief Executive who has met with the Chief Executives of the Iwi Boards. It is intended to have Iwi representation in place by Christmas 2017.

Government agencies

Currently Bob Simcock (Waikato District Health Board) and Parekawhia McLean (New Zealand Transport) are members of the Committee.

Agency

As previously noted to Council there is provision for up to four representatives of government agencies (non-voting). The two remaining central government agency members are still to be selected and this is currently being worked on.

Waikato Plan and Future Proof

The Chief Executives have proposed to combine the Waikato Plan and Future Proof Chief Executive Steering Groups and this process is underway. In accord with relevant Waikato Plan and Future Proof actions a combined Strategic Partners Forum to provide advice to both initiatives is being established. This proposal will improve efficiencies and make effective use of input from the various member agencies.

Waikato Plan/Waikato Means Business

Waikato Plan and Waikato Means Business representatives met to clarify roles and responsibilities to encourage shared messaging. The two entities will be working more closely together to reduce confusion from external parties as to the roles of the entities and to ensure that funding opportunities are harnessed through the most appropriate avenue.

Implementation programme

The implementation programme was presented to the Leadership Group on 18 September 2017. There was a request for this to be modified.

The Implementation Plan identifies short (years 1-2), medium (years 3-6) and long term (years 7-10) actions as well as the Leadership Group's role in the actions.

The number one priority action is to develop a regional development strategy. The Strategy will draw together all existing community plans, growth management and spatial development strategies and close the gaps for areas without plans in place.

The work plan for Tranche 1 projects (November 2017 - November 2018) is attached.

Central Government Engagement Strategy

The draft central government engagement strategy was presented to the Leadership Group on 18 September with requests for some modifications.

The objectives sought from Central Government engagement are:

- *To assist the Waikato Plan implementation process to enhance a 'one Waikato' perspective.*
- *Government understands and supports the Waikato Plan.*
- *The Government knows that the Waikato is now speaking with one voice on issues important to the region.*
- *To explore opportunities to partner with Central Government on implementing the Waikato Plan.*
- *To seek funding for initiatives that achieves Central Government objectives.*
- *Joining up and influencing Central Government's budget priorities for the Waikato.*
- *To engage with Ministers so that they can direct officials to work with the Waikato Plan structures in order to align regional/sub-regional aspirations with those of government so that we have an agreed direction that brings together both Central Government and regional aspirations.*

Central Government Briefing Paper

The Central Government Briefing Paper has been prepared that provides a high level overview of the Waikato Plan to incoming Ministers and will be tailored to align with the specific Ministerial portfolios.

Project reporting

A project dashboard has been created which will provide bi-monthly project reporting going forward. The first and second project dashboard is attached.

Financial Impact

i. Cost

The Council contribution is \$35,873 for 2017/18 which is an 8% share of the total funding provided by the partner Councils.

ii. Funding Source

Council currently has a budget \$50,000 for regional co-ordination projects such as the Waikato Plan.

Attachments

- A. Waikato Plan priorities, 10 key actions and lead agencies
- B. Waikato Plan Tranche 1 workplan Nov 2017-Nov 2018
- C. Waikato Plan Dashboard Report - no. 1
- D. Waikato Plan Dashboard Report - no 2
- E. Minutes - Waikato Plan Leadership Group 16 October 2017

Signatories

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Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

Elected member remuneration

Trim No.: 1957995

Executive Summary

The Remuneration Authority ('the Authority') is the independent body responsible for setting Elected Member remuneration. The Authority is seeking the views of councils on proposed changes to remuneration and allowances for Local Government elected members. This feedback is due by Friday December 15th 2017.

Copies of the 'pay for elected members' webinar slides, the consultation document and Remuneration Setting Proposals are attached to this report. A copy of the draft LGNZ submission is also attached. Council may wish to support LGNZ's position on these issues.

Recommendation

That:

1. The information be received.
2. Council decide whether it wishes to support the Local Government New Zealand (LGNZ) position or make a separate submission to the Remuneration Authority.

Content

Background

Current remuneration approach for councillors

The Authority has determined what they consider to be the basic role of a councillor. The Authority uses the job sizing exercise and the council's place on the size index to inform the decision on the base councillor remuneration for each council (except Auckland which was initially sized separately).

Councillors can also receive extra remuneration for:

- positions of additional responsibility (including deputy mayor/deputy chairperson);
- taking on significant extra duties during the district/regional plan review process or reviews of district and regional plans; and

There may also be additional positions such as membership of specialist panels, working parties and external bodies.

Fund for Additional Positions of Responsibilities

The Authority current provides for each council to have a capped fund for extra remuneration for those who take on additional positions of responsibility.

The fund for each council is equivalent to twice the base remuneration of one councillor. For example, if the base remuneration for a councillor is \$40,000, then the total fund that council could use for additional remuneration will be capped at \$80,000.

Where a councillor is also formally appointed as a member or chair of a community board, she or he is not automatically entitled to remuneration as a councillor as well as remuneration as a community board member. However, a council may apply to the Authority to pay some extra remuneration to that councillor from its capped fund.

There may also be additional positions such as membership of specialist panels, working parties and external bodies. These will vary from council to council.

Before approving any additional remuneration, the Authority expects to see evidence of significant extra workload and/or responsibility required on an ongoing basis for the position. This could include the need to attend regular additional meetings or to gain a technical knowledge base for a particular field of expertise. The maximum total amount of additional remuneration for any council, including that of the deputy mayor, will be 200% of the base councillor remuneration for that council.

An example follows of how the extra remuneration might work:

1. Council A has 10 councillors, each starting with a base remuneration of \$40,000.
2. The Council has a total fund of up to \$80,000 (i.e. 2.0 times the base councillor remuneration) to allocate to some or all of its 10 councillors for positions with extra responsibility.
3. The Council wishes to pay its Deputy Mayor an additional \$16,000 for carrying out the responsibilities of that role. That is 40% of the base councillor remuneration of \$40,000.
4. The Council has up to \$64,000 remaining to allocate to its councillors for any positions of additional responsibility.
5. The Council wishes to pay three of its councillors an extra \$10,000 each to undertake additional responsibilities as chair of a standing committee.
6. That leaves the sum of \$34,000 that could be allocated to councillors for undertaking significant extra duties around the District Plan process.

A council does not have to set extra remuneration for all additional areas of responsibility if it chooses to operate with a flat structure. For example, it may set only one additional payment for the deputy mayor/deputy chair.

Resource Management Act 1991 (RMA) and District/Regional Plan Hearing

Councillors undertaking RMA resource consent hearings and district and regional plan hearings (including Regional Policy Statement) are entitled to additional fees for that work, but those fees are not drawn from the council's capped fund for positions of additional responsibility.

Remuneration for mayors and regional chairs

This is based on a job sizing exercise and the council's relative place in the size index. No additional remuneration can be provided to mayors or chairs, with the exception of fees for resource consent hearings in exceptional circumstances.

Issues

The Remuneration Authority (the Authority) is required to issue a new determination covering local government elected members remuneration and allowances which takes effect from 1st July 2017.

The Authority has decided that there is an opportunity for both short term improvements to the system for immediate implementation as well as some deeper changes which they propose to introduce in 2019.

The attached consultation document, which has been sent to all councils for their feedback, discusses our proposals. It contains three parts:

- Part One – Is a general introduction and it outlines the Authority's legal requirements for setting local government elected members remuneration.

- Part Two – Proposes immediate changes (2017 Determination) that came effective from 1 July 2017. Feedback on these proposals was due on Monday 19th June 2017.
- Part Three – Discusses the longer term proposals which are planned to be introduced in 2019: Feedback on these proposals is due by Friday December 15th 2017.

The Remuneration Authority has noted they are seeking the views of councils, not of individual elected members or staff.

Local Government New Zealand (LGNZ) has prepared a submission to the Authority. At the time of writing this had not been approved by the National Council. A copy of the draft LGNZ submission is attached.

The consultation document seeks feedback on the questions below. Council is asked to consider these questions and what feedback it wishes to provide to the Authority:

Job Sizing

With regard to the proposed factors to be used for sizing councils

1. Are there significant influences on council size that are not recognised by the factors identified?
2. Are there any factors that we have identified that you believe should not be used and why?
3. When measuring council assets, do you support the inclusion of all council assets, including those commercial companies that are operated by boards?
4. If not, how should the Authority distinguish between different classes of assets?

Weighting

5. Are you aware of evidence that would support or challenge the relativity of the factors for each type of Council?
6. If you believe other factors should be taken into account, where would they sit relative to others?

Mayor and chair remuneration

7. Should Mayor and Chair roles be treated as full time?
8. If not, how should they be treated?
9. Should there be a “base” remuneration level for all mayors/chairs, with additional remuneration according to the size of the council?
10. If so, what should determine “base remuneration”?

Councillor remuneration

11. Should councillor remuneration be decided by each council within the parameters of a governance/representation pool allocated to each council by the Remuneration Authority?
12. If so, should each additional position of responsibility, above a base councillor role, require a formal role description?
13. Should each council be required to gain a 75% majority vote to determine the allocation of remuneration across all its positions?
14. Should external representation roles be able to be remunerated in a similar way to council positions of responsibility?
15. Do the additional demands placed on CCO board members make it fair for elected members appointed to such boards to receive the same director fees as are paid to other CCO board members?

Community Board remuneration

16. Should community board remuneration always come out of the council governance/representation pool?

17. If not, should it be funded by way of targeted rate on the community concerned?
18. If not, what other transparent and fair mechanisms are there for funding the remuneration of community board members?

A local government pay scale

19. Is it appropriate for local government remuneration to be related to parliamentary remuneration, but taking account of differences in job sizes?
20. If so, should that the relativity be capped so the incumbent in the biggest role in local government cannot receive more than a cabinet minister?
21. If not, how should a local government pay scale be determined?

Staff Comments on the questions/issues above

Sizing Formulae (Questions 1-4)

The Authority is proposing to use population, operating expenditure, asset size, social deprivation, and number of guest nights as job sizing factors.

Staff observe that one of the primary functions of an elected member involves giving effect to legislation at the local level. There are numerous pieces of legislation that Councils must give effect to, exceptions for size are minimal. For example, all Councils have to prepare a district plan, all have dog control obligations. With the exception of local legislation, there is little difference. Council may wish to seek some fixed element be built into the job sizing that recognises this. Setting a 'base' Councillor level of remuneration could be useful.

Population

The proposal identifies the total population as one of the key determinants of job 'size'. Council may wish to consider whether it is also the rate of demographic change that is relevant which can add to the size of a Councillor role. For higher growth councils the size of the job could be different to that of a council where population is static or more slowly growing. In a similar vein, those councils that are experiencing population decline face a different set of challenges.

Council may wish to reflect upon how might the Authority take account of this diverse range of challenges? One way might be to take the absolute value of the rate of change in population. Would it be appropriate that a council that is experiencing a three percent increase and a council that is experiencing a similar rate of three percent decrease would be treated alike for the purpose of this criterion?

The degree of difference in the population make-up may also increase the complexity of a governance/representation task. Potentially this is another factor that could be included.

Guest Nights

Council may wish to reflect on whether providing for the needs of tourists may add more complexity to the governance role. With regard to this this criterion staff question whether catering for the needs of tourists would be reflected in a greater level of expenditure and in a greater asset base. In this instance there may be a degree of 'double counting'.

Assets

It is considered that inclusion of all council assets, including those commercial companies that are operated by boards when job sizing is appropriate. Staff consider Councils still maintain a degree of responsibility for the actions of Council Controlled Organisations (CCOs).

The CCO's Council currently is involved with are Waikato Local Authority Shared Services Limited, Waikato Regional Airport Limited and Hauraki Rail Trail Charitable Trust (who are currently exempt from reporting requirements under the Local Government Act 2002).

It is suggested that the appointment of 'commercial' boards of directors may not necessarily diminish the governance role for a Council but this may depend on the nature of the CCO. With CCO's Council task might then become one of performance managing the CCO to ensure it is delivering the 'right' outcomes for the community and influencing the CCO from at 'arms-length'. This issue may not be so relevant for our Council where there are no major asset-based CCO's or commercial boards such as a water or transport CCO however could be relevant in the future if Council wishes to pursue a CCO model for significant service delivery.

Councillor remuneration - Remuneration Pool (Question 11)

Council may wish to consider whether the proposed 'pool' approach described in this document is fair, equitable and simple, and meets the approach meets the criteria that the Authority sets out in the document.

Council may consider a pool approach, with its potential to have elected members assessing each other's job 'size' could be challenging if consensus cannot be reached. While the Authority retains the final say in any proposals that Councils have for the dividing the pool, how Councils develop proposals could be divisive. In particular, having a pool where councillors and community board members could be seen to 'compete' for remuneration could undermine relationships.

It is noted that Council does not currently have community boards; however Council may still wish to express a view on the questions above in the event community boards are established through the 2018 representation review process. It is noted the remuneration proposals would not apply until 2019.

Remuneration is a factor in an individual's decision to stand for office, particularly for those who may need to forego full-time employment to make themselves available for elected office. It is suggested that the more certainty we can give prospective candidates, the better. The pool approach may introduce an element of uncertainty into levels of remuneration, both before a prospective candidate decides to put themselves forward for election and each time a new determination is required.

In paragraph 105 of the consultation document an issue is raised as to whether all Councillors could be allocated a position of responsibility and thus increase salaries. The Authority refers to past experience whereby the salary approach provided incentives to develop governance structures that maximise remuneration by allocating all Councillors a position of responsibility e.g. making all councillors committee chairs. Arguably, public scrutiny has a role in acting as a 'check' on this type of behaviour. In addition, all elected members' remuneration must be individually declared in Councils annual report for each councillor.

Council may also wish to note the impact of changing councillor numbers through the representation reviews with the proposed pool approach. This is relevant as Council will need to consider what number of Councillors is appropriate through the 2018 representation review process.

Pay scale - Benchmarking to Parliamentary Salaries (Questions 19-20)

The Consultation Document indicates that Parliamentary salaries are the closest identifiable comparator with Councillor salaries. Council may wish to reflect upon the comments regarding the relativity of pay with other paid roles and the comparative workloads.

Council currently meets twice monthly (Council and Corporate & Operations Committee meetings) with other committees meeting less frequently. Remuneration comparison with other governance roles such as public sectors boards is challenging because Councillors also have a representational role.

The consultation document asks whether there should be a maximum applied so that no Mayor or Chair could be paid more than a Cabinet Minister. Paragraph 119 suggests there is no direct one-to-one relationship between central and local government elected members. Potentially, this is more of a rationale for not benchmarking in the manner proposed.

Council may also wish to consider whether movements in parliamentary salaries are a relevant factor to consider.

Timetable

It is suggested that having the determination available before nominations for local body elections open would be useful. This information would help those considering standing for election understand the remuneration arrangements and enable them make decisions on whether put forward a nomination.

Under the present electoral timetable issuing the determination “on or about 1 July” as per the consultation document does not leave much lead time, as nominations open around a fortnight after this date (on Friday 9 July 2019). It is also after the 2018/19 Annual Plan will be adopted and makes budgeting for any increase the more difficult.

It is considered there would be an advantage to prospective members and to Council in having the determination available at an earlier point than signalled in the consultation document.

Analysis

Options considered

Council has the following options:

1. Provide no feedback to the Authority
2. Council support the LGNZ submissions
3. Council provide separate feedback to the Authority.

Analysis of preferred option

This is essentially a political issue and as such no preferred option is given. These changes will affect elected mayors, chairs and councillors. Part of it will also affect community board members.

Legal and statutory requirements

The work of the Authority is governed by the Remuneration Authority Act 1977. This act and the Local Government Act 2002 contain the statutory requirements which the Authority must follow when making determinations for local government elected members.

Impact on policy and bylaws

There is no impact on policies and bylaws.

Consistency with the Long Term Plan / Annual Plan

Council may need to review its budget for elected member remuneration in the future depending on the outcome of this process.

Impact on Significance and Engagement Policy

This issue is not significant. Council is not the decision-maker in this instance – feedback is being sought from Council by an external agency.

Communication, consultation and decision making processes

There are no communication issues. Council is invited to provide feedback to the Authority.

Consent issues

There are no consent issues.

Timeframes

Feedback to the Authority is due by 15 December 2017.

Financial Impact

i. Cost

The total elected member remuneration paid in 2016/17 was \$413,479.

ii. Funding Source

Elected member remuneration is funded from General Rates.

Attachments

- A. Remuneration Authority - Consultation Document - Local Government Review
- B. Remuneration Authority - Appendix 1 - Remuneration Setting Proposals for Local Authorities
- C. Remuneration Authority - Pay for Elected Members - webinar
- D. Draft LGNZ Submission

Signatories

Author(s)	Niall Baker Acting Senior Policy Planner	
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Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

Council Issues Over The Christmas Period

Trim No.: 1953430

Executive Summary

Council discuss the process required regarding urgent decisions that may need to be made during the holiday period.

Recommendation

That:

1. Any urgent issues arising during the holiday period be emailed to all councillors with delegation to the Mayor to act on receipt of support from a majority of councillors.

Content

Background

It is suggested that the Mayor emails all Councillors and acts accordingly based on responses received, provided more than six members are in agreement with the decision. Councillors will then give formal approval to the decision at the following meeting.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Caroline Hubbard Committee Secretary	
Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

Standard Report - Staff Long Service Presentation

Trim No.: 1960029

10.15 There will be a presentation to Pam Oliver who has done 50 years service with local authorities.

Recommendation

That the information be received.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Caroline Hubbard Committee Secretary	
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Approved by	Don McLeod Chief Executive Officer	
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Woodlands Road Seal Extension

Trim No.: 1947995

Executive Summary

A number of requests have been received to seal Woodlands Road in Morrinsville and Council requested the matter be reviewed..

This report provides information regarding the benefits and issues around seal extension in general and specifically, the unsealed section of Woodlands Road.

Recommendation

That:

1. Council receives the report
2. That as the Woodlands Road seal extension Option 2 has a benefit cost ratio of 1.04 and as Council has made funding available, Option 2 (\$210,000) be approved.
3. That benefit cost ratio assessments be used to guide Council in any future requests for seal extension.

Content

Background

Council maintains close to 1,000 km of road, of which 57.5km are unsealed. This is a very small proportion of unsealed road compared to other rural local authorities.

Council had previously engaged a Consultant to establish a list of all unsealed roads in the district with a priority ranking.

As a result, Council resolved it would not complete any further seal extension work in the Matamata-Piako District.

Some of the findings of this work are included in this report.

In 2015 Council made an exemption to this decision by deciding to seal the final section of Waterworks Road (430 metres). This was considered a special case as Waipa District Council was sealing their section of the road.

Council does not have a seal extension programme and consider any requests for seal extensions on a case by case basis..

From an asset management perspective, the following need be considered to assist in determining whether a seal extension is appropriate:

- Traffic Volume

- Terrain
- Land Use
- Crash Data
- Maintenance costs
- Construction costs
- No. of Dwellings

Woodlands Road is a local rural road with the following characteristics:

Hierarchy	Low Volume Road
Location	Off Matuku Road, Rural Morrinsville
Traffic Volume	136 vehicles per day (this is assessed over one 7 day period) - 2008 7% of which are heavy vehicles
Terrain	flat
Road use	Mainly thoroughfare. 3 houses on this section of road.
Total Length	2.4km
Unsealed Length	2.4km
Road width of sealed road	N/A
Road width of unsealed road	5.7m – 6.5m
Road Pavement	Sound unsealed pavement is present with sound subgrade but major issue with differential settlement due to peat
Existing Annual Costs	\$7,900 per kilometer
Crash Statistics	No fatal or serious crash over the past 5 years on the unsealed section of road.
Proposed Cost to seal	Option 1 – 30 year life expectancy Approximately \$400,000 Method: Excavate and stockpile existing pavement. Place a combo-grid and re-use pavement with some new overlay. Also complete required drainage. Option 2 Approximately \$210,000 – 15 year life expectancy Method: Minor overlay to current pavement and then seal. Also complete required drainage.

Issues

A number of years ago all the unsealed roads in the district were analysed, prioritised and then taken to council. Council determined that all the 'easy' roads had already been sealed and only the more difficult ones were left in the unsealed state. The data and findings in the report showed that the traffic volumes were generally very low, they were dead end roads, the number of properties directly accessing the roads are small and the economic costs of seal extension are likely to outweigh the economic benefits.

When reviewing the previous work completed, it was shown that Woodlands road was the highest ranked road on the priority list.

The following issues need to be considered when making a decision on whether to seal Woodlands Roads.

Cost Benefit analysis

General

The earlier report completed a criteria assessment and determined a Benefit cost ratio based on the following categories:

- Safety
- Strategic Link
- Dust
- Traffic
- Traffic Type
- Environmental
- Holiday Traffic

A table of the weighting and criteria is included in this report.

An assessment on the Travel time saving Benefits, Seal Extension Benefits, Vehicle Operating Benefits, Net Benefits and Net Costs were used to work out an overall priority system.

The various factors have been updated to reflect:

- minor changes to traffic patterns
- analysis from our maintenance contractor
- updated cost schedule of the works

Option 1 – 30 year life

Indicative figures	Woodlands Road
Travel time saving Benefits	\$36,148
Seal Extension Benefits	\$148,631
Vehicle Operating Benefits	\$43,616
Net Benefits	\$228,395

Net Costs	\$400,000
Benefit Cost Ratio	0.57
Safety	2.00
Strategic Link	0.80
Dust	0.75
Traffic	2.60
Traffic Type	1.00
Environmental	1.50
Holiday Traffic	0.40
Weighting	9.05

Option 2 – 15 year life

Indicative figures	Woodlands Road
Travel time saving Benefits	\$36,148/2
Seal Extension Benefits	\$148,631/2
Vehicle Operating Benefits	\$43,616/2
Net Benefits	\$228,395
Net Costs	\$210,000
Benefit Cost Ratio	1.08
Safety	2.00
Strategic Link	0.80
Dust	0.75
Traffic	2.60
Traffic Type	1.00
Environmental	1.50
Holiday Traffic	0.40
Weighting	9.05

Strategic and wider network impact

Woodlands Road –

- Matamata-Piako District Council's section of Woodlands Road, 2.4km in length, is the only section of the 15.5km Road which is unsealed.
- As the analysis above indicates, there is quite a considerable time saving by having this section sealed. This would result in the traffic being able to get to Gordonton quicker. This has the potential to provide a parallel route to Piako and Tauhei Roads and result in some of the traffic moving onto Woodlands Road from these roads. The additional traffic on Woodlands Road will increase loadings on the pavement and result in additional maintenance work.

Maintenance cost of unsealed versus sealed road

Unsealed pavement maintenance and renewal costs are at the higher end when compared to other local authorities. The small length of unsealed network affects the costs of maintenance.

The approximate cost of maintaining an unsealed road is averaged at \$4,900 per km. For Woodlands specifically this has been \$7,900 over the past few years. This is mainly due to the peat subgrade and additional investment due to the complaints.

The approximate cost of maintaining a sealed road is averaged at \$7,500 per km over all of our roads. This is likely to be less for our less trafficable roads like Woodlands Road.

Pavement life discussion

Generally Council roads are renewed to provide a 30 year pavement life. This is sometimes subjective for peat roads.

A cost to provide the optimum pavement will include extensive work. This would include excavation of current unsuitable material and the installation of a combo-grid (combination of geogrid for strength and cloth to prevent fines migrating to the surface) to provide uniform strength and separation between the different soil layers. This treatment was used for the Matuku Road pavement rehabilitation recently and is an established method of pavement renewal for peat roads.

The current pavement of Woodlands road is in a reasonable condition and an option council may wish to consider is only doing minimal work to seal the current pavement. This would include a minor overlay and then to work the surface before sealing it. The cost has been estimated at \$210,000. The drawback from this option is that this will only provide a medium term renewal solution of approximately 15 years. This may however be a more cost effective solution. It will mean that the asset life is reflected with this in our asset register and the depreciation calculated accordingly.

Note that it is very difficult to approximate the exact life of peat roads so they are only assumptions based on standards and the performance noted on our current roads.

Analysis

Options considered

Projects that have a Benefit Cost ratio (BC) less than 1 would not be expected to proceed from a pure asset management perspective.

Using this perspective:

- A \$400,000 investment (BC 0.57) would not be appropriate as the assessed benefits are just over half the costs
- A \$210,000 investment (BC 1.08) is a good investment as the assessed benefits exceed the costs.

There has been an increase in maintenance on Woodlands Road over the past few years as there have been more complaints. The cost of sealing the road has therefore reduced as less work is required to bring the pavement up to standard.

In the earlier 2008 report, which looked at all the sealed roads in our network, the assessments showed that none of the Benefit cost ratings were above 1. There have been some changes to the management and maintenance of our unsealed road since then but none significant enough to change the rating and rankings.

In assessing future requests for seal extensions, staff would base recommendations on the relevant benefit cost ratio.

The attached map highlights all of the unsealed roads left in our network.

Legal and statutory requirements

There are no legal or statutory requirements.

Impact on policy and bylaws

There are no plans to amend our policy on sealing the remainder of our roads. This is considered as a one off. If Council wants to review the status of all the unsealed roads and continue with seal extension work it will have an impact on the current policy.

Consistency with the Long Term Plan / Annual Plan

Seal extensions are not specifically identified in the Long Term Plan.

Impact on Significance and Engagement Policy

Council has 56 kilometres of unsealed roads. The current level of service is that no further seal extension work will be undertaken. If Council decides to seal this section it is possibly creating the expectation that other roads will also be sealed. We would expect that sealing all remaining roads will cost in excess of \$8 million and may be substantially higher.

We assess that this would be a matter of significance based on past Council decisions on projects of lesser value.

Council could manage expectations by taking guidance from asset management practices such as the use of benefit cost assessments.

Communication, consultation and decision making processes

A number of complaints have been received by residents of Woodlands Road. It should be noted that there are only 3 residents in the Matamata-Piako District with most of the residents residing in the Waikato District.

Timeframes

The work for Woodlands Road will need to be procured but can be completed this financial year.

Contribution to Community Outcomes

Healthy Communities – by providing a dust suppressant for our unsealed road it reduces the health and environmental impacts this has on our community.

Financial Impact

i. Cost

Existing and proposed costs are listed in the report above.

ii. Funding Source

Council resolved on 11 October 2017 to transfer \$300,000 to special funds for Woodlands Road seal extension funding, pending a decision on this report.

The work will not be eligible for NZ Transport Agency subsidy.

Attachments

A. Map of unsealed roads in the district

Signatories

Author(s)	Susanne Kampshof Asset Manager Strategy and Policy	
Approved by	Manaia Te Wiata Group Manager Business Support	

Naming of Walkway in Morrinsville - Gregdon Walkway

Trim No.: 1947827

Executive Summary

As part of the subdivision by L.H Oldham and Mrs T.A Oldham Morrinsville back in 1996 a number of new streets were constructed in Morrinsville between Seales Road and Lindale Street.

The intention was originally to construct and vest a new Road to link Deanna Avenue and Seales Road. The road was proposed to be called Gregdon Street. When finalising the consent, the land was vested in Council as Reserve upon subdivision in 1996 and a public walkway was constructed instead.

The reserve is currently referred to as Sealed Road Reserve within our documents and also appears within the Reserve Management Plan. The walkway is not officially named. It has been requested by family members of the original subdivider that the Walkway be officially named and signposted Gregdon Walkway.

It is requested Council consider naming the reserve and walkway Gregdon Walkway and Gregdon Reserve. The process for having the reserve formally named will include consultation as outlines in the Reserve Management Plan.

Recommendation

That:

1. **Council receives the report;**
2. **Council recommends (or declines) renaming the reserve known as Seales Road Reserve proceeds with the consultation process as per the General Policies Reserve Management Plan.**

Content

Background

As part of the subdivision by L.H Oldham and Mrs T.A Oldham Morrinsville back in 1996 a number of new streets were constructed in Morrinsville between Seales Road and Lindale Street. The subdivision created approximately 34 new lots.

The intention was originally to construct and vest a new Road to link Deanna Avenue and Seales Road. The road was proposed to be called Gregdon Street. When finalising the consent the road was no longer needed and a reserve was vested in Council instead. A public walkway is on the reserve which provides connectivity between the two streets.

Mr Oldham has been involved in the original subdivision of the land where the residential sections and Lindale Street is located, this dates back to c 1970.

Mr Lin Oldham named all the streets in this subdivision after family members. Gregdon was a combination of GREGory and BrendON, his sons.

Issues

The walkway has no official name but the reserve is known as Seales Road Reserve. It has been requested by Tui Martin, the widow of the original developer, that the Reserve be officially named and signposted Gregdon Walkway.

Most of the reserves maintained by Council have formal names, this is generally done when the reserves are vested with Council at the time of subdivision or when a reserve management plan is compiled or reviewed.

The benefits of having a distinctive name for a reserve include:

- making it easier to identify the reserve;
- making it easier for visitors or emergency services to find the reserve;
- highlighting heritage features of the site;
- recognising contributions made by residents, families or organisations;
- identifying prominent ecological or geographic features;
- reinforcing the purpose or principal use of the reserve.

Section 2.15 of the General Policies Reserve Management Plan 2009 outlines the process for formal reserve naming / renaming:

In short the process is as follows:

- Council consults with donors, user groups, community groups and Iwi in the vicinity and come up with a short list of potential names
- Council makes a Resolution to name/rename the Reserve with list of suggested names to go out for consultation
- Allow a month for consultation
- Consider submissions from the public
- Council Resolution to approve chosen name

- Gazette Notice once the final name is approved.

Analysis

Options considered

1. Council can choose to approve the name to go out for consultation. It can then formally name the reserve Gregdon Reserve and the walkway can be signposted Gregdon Walkway.
2. Council can choose to leave the reserve known as Seales Road Reserve and either name the walkway the same or leave it unsignposted.
3. Leaving the Reserve named Seales Road Reserve and naming the walkway Gregdon Walkway would cause confusion and is not included as an option.

Legal and statutory requirements

Sections 16 (10) & (10A) of the Reserves Act 1977 prescribe the process for formally naming a reserve.

Impact on policy and bylaws

Council needs to follow the naming/renaming process as outlines in the Reserve Management Plan to meet the requirements of the Reserves Act.

Impact on Significance and Engagement Policy

No impact on Significance and Engagement Policy.

Communication, consultation and decision making processes

Although Mr Oldham has now passed away, the request has come from his family.

Section 2.15 of the General Policies Reserve Management Plan 2009 outlines the process for formal reserve naming / renaming:

In short the process is as follows:

- Council consults with donors, user groups, community groups and Iwi in the vicinity and come up with a short list of potential names

- Council makes a Resolution to name/rename the Reserve with list of suggested names to go out for consultation
- Allow a month for consultation
- Consider submissions from the public
- Council Resolution to approve chosen name
- Gazette Notice once the final name is approved.

Timeframes

The timeframe of the process is approximately 3 months, provided there are not too many objections.

Financial Impact

i. Cost

The cost of consultation includes staff time and advertising costs. Approximately \$2,000.

The cost to supply and install signs will be approximately \$250 each.

ii. Funding Source

This is all operating cost.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Susanne Kampshof Asset Manager Strategy and Policy	
Approved by	Manaia Te Wiata Group Manager Business Support	

Audit & Risk Update

Trim No.: 1960034

Executive Summary

11.00am Sir Dryden Spring will be in attendance to give an update on the Audit & Risk meeting held on Tuesday 12 December 2017.

Recommendation

That:

1. The information be received.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Caroline Hubbard Committee Secretary	
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Approved by	Don McLeod Chief Executive Officer	
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Long-Term Plan 2018-28 - Approval for Audit

Trim No.: 1958551

Executive Summary

The purpose of the report is to present the draft Long Term Plan 2018-28 (LTP) and Consultation Document (CD) for review before the commencement of the audit process. The following documents have been circulated separately:

- Significant assumptions
- Financial Strategy
- Infrastructure Strategy
- Activity summaries and performance framework for Infrastructure, Community Facilities, Consents and Licensing and Strategy and Engagement
- Consultation document

The LTP and related documents are presently in a draft form. Some of the documentation is without financial detail at this stage. Staff are currently working to populate the various financial data required and staff aim to table this information at the Committee meeting if critical or populate this information prior to the Audit review.

The LTP and related work streams have been discussed with Council through a series of workshops and formal meetings throughout 2017. The draft LTP and CD is scheduled to be audited in January 2018 by Audit New Zealand.

Council is no longer required to formally publish a draft LTP. However, before adopting a CD Council must prepare and adopt the information that is relied upon by the CD and necessary to enable an Audit opinion to be provided.

Council must also adopt the full LTP once the consultation phase is concluded. Adoption of the LTP is to provide a formal and public statement of Council's intentions in relation to the matters covered by the plan. Given the need to prepare and adopt the information relied upon by the CD and have the LTP ready for adoption in June 2018 staff have prepared a draft LTP with the background information.

Council will adopt the draft LTP (as the underlying information) and CD for public consultation on the 7th March 2018 with community consultation starting on 28 March 2018.

Recommendation

That:

1. The key documents for Long-Term Plan 2018-28 as listed above (as underlying information for the Consultation document) be approved for audit purposes.
2. The draft Consultation Document for Long-Term Plan 2018-28 be approved for audit purposes.
3. Council staff finalise the key documents and report back to Council for approval for consultation in 2018.

Content

Background

Long-Term Plans

Under the Local Government Act 2002, Council has to set out its long term plans for the community. The Long Term Plan:

- identifies the key projects to take place over the next 10 years
- provides an overview of each activity Council will carry out and the services Council will provide for the next ten years
- determines how much this will cost and how Council will fund it.

Council also does this to give the community the opportunity to have a say on where it is heading and to ensure its planning is robust. In completing the plan it is required to do a number of things, including:

- take a sustainable development approach and promote community interests
- carry out our business in a clear, transparent and accountable manner
- operate in an efficient and effective manner, using sound business practices
- take into account community views by offering clear information and the opportunity to present views
- provide opportunities for Maori to contribute to decision making
- collaborating and co-operating with other agencies and councils to achieve desired outcomes

The Long Term Plan must be adopted prior to 30 June 2018. The project timeline for a Long Term Plan is typically 14-18 months and involves staff across the whole organisation, Councillors and the community.

How the LTP has been presented

The LTP is presently in a draft form. The document is currently being graphically designed and will be re-presented to Council in a designed format following the Audit process. In some instances the documents are without financial detail. A full internal quality assurance process is also programmed to take place in December and January to ensure the information throughout the document is consistent and supported by underlying information.

The draft LTP consists of three parts and as follows:

- SECTION 1: INTRODUCTION
- SECTION 2: FINANCIAL STRATEGY
- SECTION 3: INFRASTRUCTURE STRATEGY
- SECTION 4: KEY ASSUMPTIONS
- SECTION 5: OUR DISTRICT, ECONOMY AND POPULATION
- SECTION 6: GROUPS OF ACTIVITIES – WHAT WE DO
- SECTION 7: FINANCES
- SECTION 8: POLICIES
- SECTION 9: CORPORATE INFORMATION
- SECTION 10: AUDIT OPINION

Consultation document - This provides the key basis for public participation the LTP process. It is intended to be a fair representation of what is proposed in the LTP in a way that explains the Council's objectives, how rates, debt, and levels of service might be affected by this, the issues Council is facing, what key projects are proposed, the financial strategy and how to have their say.

The CD also points readers to the Council's website and full draft LTP for more detailed information.

Development of the draft LTP

The contents of the draft LTP have been developed with the Council through a series of meetings and workshops over the past year. In preparing the draft LTP the Council has:

- reviewed growth projections for the district (the updated growth projections from April 2017 have been incorporated into the plan)
- given consideration to community views, preferences and priorities through the community outcomes and pre-consultation (Right Debate) process for waste reduction and community grants
- considered strategic issues and opportunities facing the district
- considered and outlined its financial strategy
- considered the direction for each of the Council's LTP activities through the activity and asset planning process
- identified its levels of service, projects and programmes
- considered its statutory policies and statements)

Council is required to prepare and adopt a LTP under the LGA. The LTP sets out the activities, budgets, financial strategy and key financial policies of the Council for the next 10 years.

The LTP is a complex document covering all activities of Council, major strategic documents, financial policies, auditing and a large consultation component with the community. Due to its complexity and interrelationships between parts the timeline may be adjusted throughout the project. The dates for the External Audit process, consultation and adoption however cannot be changed.

Table 1 provides a high level overview of progress to date and upcoming milestones. The overall project is considered to be on track.

Table 1 – Project Timeline

Description	When	Progress
Demographic/Growth Assumptions	Feb-May 2017	Council has adopted the median growth projections. Major assumptions were reported to Committee in June.
Financial Assumptions	Feb-May 2017	A report was presented to the Committee in June. The full list of assumptions used for the LTP, Infrastructure Strategy and Financial Strategy was presented to Committee in October. The Committee requested further work on the inflation assumptions in particular, which will be discussed at the December Committee meeting.
Community Outcomes Review	Apr-Jun 2017	Council approved its new vision and outcomes in April. These are being incorporated into the various activity plans, financial strategy and infrastructure strategy.
Rates Structure	Apr 2017-Jun 2018	Council has indicated a preference to maintain the current rating structure

Description	When	Progress
		for the LTP 2018-28.
Activity Plans (including budgets)	Apr-Sep 2017	Activity managers presented their activity plans to Council workshops in May/June. The Activity Plans are now close to completion, subject to review by Council.
Right Debate (pre-consultation)	Apr-Aug 2017	<p>Pre-consultation on Waste minimisation initiatives occurred in June/July with 82 responses received. Council has asked staff to undertake further analysis of options relating to rubbish bag distribution and targeted vs general rates on waste management. This will be reported to Council in October.</p> <p>LTP Grants Proposals were called for in September, with a Hearing 18 October. Council resolved to increase the total grant budget to be including in the Draft LTP.</p>
Infrastructure and Financial Strategy	Apr-Oct 2017	Refer below
Asset Management Plans	Feb-Oct 2017	Completed.
Policy Review	Apr-Oct 2017	<p>The Significance and Engagement Policy was adopted 9 August</p> <p>The draft policies on Development Contributions, Draft Revenue and Financing Policy will be presented to Council for approval to consult on 13 December. The Draft Policy on Remission and Postponement of Rates was approved for consultation by Council at its November COC meeting.</p>
Council controlled organisation section	Jul-Nov 2017	On track.
Maori participation in decision making	Jul-Oct 2017	Refer below
Budgets/ Financials/ Notes	Jul-Dec 2017	First Cut Budgets was discussed with Council in July, including capital works spreadsheet. Second draft budgets were discussed with Council in November with a final draft for inclusion in Draft LTP scheduled to be approved in December.
Document development and QA	Jul-Dec 2017	On track. Scheduled to occur in December and January.
Communications Strategy	Jul-Dec 2017	It is intended to develop the strategy in December/January.
External Audit Process	Jan-Jun 2018	Interim audit is scheduled for the week of 4 December. The auditors

Description	When	Progress
		may have some initial comments for the Committee on the outcomes of the interim at the 12 December meeting. Final audit of the draft CD is scheduled for 22 Jan 2018 Refer separate report on audit fees and audit arrangement letter for the LTP.
Special Consultative Procedure	March-May 2018	Scheduled for 28 March to 28 April 2018, with Hearing scheduled for 17-18 May.

Consultation Document

The 'LTP Consultation Document' (CD) will be the tool for engaging with the community during the consultation period and is now what Council needs to make as widely available as is reasonably practicable as a basis for consultation.

The CD will be the primary document audited by Audit New Zealand. However, to ensure the CD is correct, the document and underlying information requires an independent audit.

Before adopting a consultation document Council must prepare and adopt the information that—

- is relied on by the content of the consultation document; and
- is necessary to enable the Auditor-General to give the reports required
- provides the basis for the preparation or amendment of the long-term plan.

The intent of the CD is to be the basis of discussions between council and the community about the issues facing the district, and how Council is proposing to address those issues.

To encourage public participation, and facilitate efficient and effective consultation, the CD is to be concise and focused, and presented in a way that can be readily understood by interested and affected people. It should concentrate on identifying important matters and explaining what these mean – including how rates, debt and service levels might be affected by proposals – and should not include technical material.

It is largely up to Council to decide what to include, based around the issues that are of interest and importance to our community. However the LGA provides that certain things must be described in a consultation document, such as:

- the main options for addressing each issue identified (including the council's proposal and the likely consequences of proceeding with the proposal);
- other matters of public interest relating to the proposed content of the council's financial and infrastructure strategies;
- any significant changes proposed to the way the council funds its operating and capital expenditure; and
- the direction and scale of changes to rates, debt and levels of service that will result from the proposed content of the long-term plan.
- the impact on rates for different categories of land with various property values.

Council must have regard to its significance and engagement policy in forming its CD. The purpose of the significance and engagement policy is to provide clarity about how and when communities can expect to be engaged in decisions about different matters, depending on the

degree of significance the council and its communities attach to those matters. Council needs to apply the significance and engagement policy 'lens' to its approach to the CD.

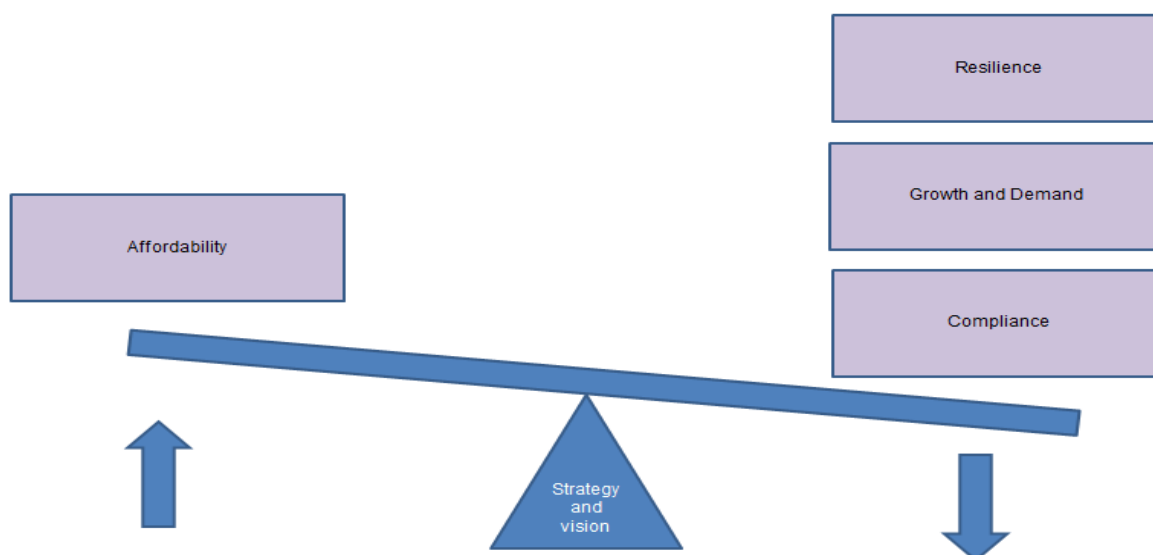
Council does not need to publish a draft LTP for consultation. However under section 93C (3) of the LGA, the CD must state where members of the public may obtain the above information which may include, for example, providing links or references to the relevant documents on an Internet site maintained by Council.

This means people who are interested in reading the more technical material that sits behind the consultation document can do so. It is considered that publication of a full draft LTP will address the requirement to make the information underlying the CD available to the public "in one place". If the community wish to seek further information from reading the CD they will be able to find the detail in the draft LTP itself or by reference to other documents.

Financial Strategy and Infrastructure Strategies

The Financial Strategy and the Infrastructure Strategy form the backbone of the Long Term Plan. Staff have worked closely with the Finance team and Assets team to ensure the two strategies are aligned, and Council's new Vision and Outcomes are reflected in both strategies. Key drivers that affect both the financial and infrastructure strategies have been identified as well as the high level responses to those drivers.

During the various LTP workshops Council have indicated a number of key drivers that cut across both the Financial and Infrastructure Strategies. The concept below has been used to inform and 'frame' the presentation of the Financial and Infrastructure Strategies in the LTP. Council has previously endorsed the key drivers, challenges, and responses concept for the Long-Term Plan 2018-28 financial and infrastructure strategies as shown below:



As a community we face a range of external factors that can influence our decision making. As part of the LTP Council has identified four challenges that have an impact across all of our activities as shown in the diagram –

- Affordability – our communities are aging, which means more people on fixed incomes, there is also a limit as to what our community in general can afford to pay for. This means that with all of the decisions we make as part of this long term plan, we have to ask can we afford to pay for this?

- Resilience – events such as the Christchurch and Kaikoura earthquakes, and the Edgecumbe flooding event are natural disasters which have tested the strength and resilience of the affected communities. The global financial crisis in 2008, and the recent dairy downturn are examples of economic conditions that have also challenged communities across New Zealand. We need to make sure that as an organisation we are in the best position we reasonably can be in case the worst does happen.
- Growth and demand – Although our population is aging, we are also experiencing steady population growth in our urban areas, while rural areas remain static or will decline over time. We also experience demand from industries that want to locate themselves in our district. Our communities also have different priorities which we need to balance.
- Compliance – we face increasing pressure in the need to comply with increasing environmental, health and other standards. How we meet those standards and the cost of doing so is a challenge that we have to manage.

The financial and infrastructure activities explain how we are responding to these key drivers and challenges.

Infrastructure Strategy

A requirement of the Local Government Act 2002 Amendment Act 2014 was the preparation of a 30 year Infrastructure Strategy. The purpose of the Infrastructure Strategy is to “*identify significant infrastructure issues for the local authority over the period covered by the strategy and to identify the principal options for managing those issues and the implications of those options*”.

The Infrastructure Strategy looks beyond the ten year LTP horizon and considers the significant issues that Council might face, such as changes in the quantum and type of infrastructure Council manages and what changes in our environment may require of Council.

Council must outline the following in the Infrastructure Strategy:

- How it intends to manage its infrastructure assets, taking into account various items such as growth and demand, changes in level of service etc. These items are quite prescriptive and for the purposes of compliance, the strategy covers these for each activity/asset area as well as an overall section which sets out the combined projected operating and capital expenditure of our assets. The significant findings from this assessment are captured in each asset section.
- The most likely scenario for the management of the Council’s assets. This is covered in the Strategy for each asset class (water etc.) along with the major decisions we will need to make over the next 30 years.
- Indicative estimates for capital and operating expenditure. It is intended to provide this at summary level for readability, and then in detail under each asset type.
- The significant decisions about capex include the assumptions on which the scenario is based. If the assumptions involve a high level of uncertainty more information is included. This is done both at a high level in the significant forecasting assumptions section and captured in another level of detail in the “significant issues and decisions” tables for each asset.

The draft Infrastructure Strategy is circulated separately for Council approval. Council staff have considered the condition of our current asset base, as well as future demand and changes in demographics, the economy and the environment and used this as a basis for developing a “most likely scenario” for managing infrastructure into the future in line with Councils direction.

Council is required to project 30 year operating and capital expenditure for the above listed activities. In developing the draft Infrastructure Strategy, staff based the proposed direction on the projected demographics and trends and the current context and condition of our asset base. In particular:

- The demographics of Matamata-Piako indicate an aging population, a growing urban population base and a static or declining rural population.
- The Council needs to operate within a fiscal envelope that matches the communities' ability to pay as defined within the Financial Strategy.
- The Council has reasonable asset information on which to base its planning.
- Overall, there is sufficient asset provision (i.e. no significant deficiencies) for current use and future demand.

The draft Infrastructure Strategy outlines a current state and a future state for the significant infrastructure assets of the Council and covers the following assets:

- Water supply
- Sewerage (referred to as Wastewater)
- Stormwater
- Roothing
- Community facilities and property

The inclusion of community facilities into the Infrastructure Strategy is optional but is recommended to provide a more holistic view of Council's assets.

Financial Strategy

The Local Government Act 2002 Amendment Act 2010 introduced the requirement for a Financial Strategy. The purpose of the Financial Strategy is to facilitate prudent financial management by councils, providing a guide against which proposals for funding and expenditure can be considered. The Financial Strategy is intended to facilitate consultation on such proposals by making the effects of proposed expenditure on services, rates, debt and investments transparent.

The purpose of the Financial Strategy is to facilitate:

- prudent financial management by providing a guide to consider proposals for funding and expenditure against; and
- consultation on the proposals for funding and expenditure by making transparent the overall effects of those proposals on services, rates, debt, and investments.

The Financial Strategy must include:

- the factors expected to be significant during the period of the LTP;
- expected changes in population and the use of land, and the capital and operating costs that any changes would require;
- the expected capital expenditure on infrastructure required to maintain current levels of service; and
- Other significant factors affecting the local authority's ability to maintain existing levels of service and to meet additional demands for service.

The Financial Strategy must also include some specific statements on:

- the limits on rates, rate increases, and borrowing; and
- the ability to maintain existing levels of service and to meet additional demands within the rates and borrowing limits.

Council must also state:

- its policy on providing security for its borrowing,
- its objectives for holding and managing investments and equity securities,
- quantified targets for returns on investments and equity securities.

It is important to note that the draft Infrastructure Strategy is closely linked to the draft Financial Strategy. Any major changes to the high level direction of the draft Infrastructure Strategy may compromise delivery of the Financial Strategy and need to be considered in conjunction with one another.

The overall direction of Council's Financial Strategy is to be "financially sustainable". The proposed objectives of Council's Financial Strategy are to:

- Maintain the levels of service we currently provide
- Improve some levels of service where this will help to achieve our vision
- Set prudent limits on rates, rate increases and debt

Financial Local Government (Financial Reporting and Prudence) Regulations 2014

The purpose of these regulations is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The council is required to include a forecast of these benchmarks in the LTP in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

The prescribed charts will be included in the financial section of the LTP. Council is required to report to the community, on our financial performance in the Annual reports by using these charts.

Other policies

There are several policies related to the LTP that will be consulted upon separately but concurrently. Although not all of the policies are included within the LTP legislatively these policies still need to go through a consultation process that gives effect to the principles of consultation in the LGA prior to final adoption in June 2018.

Related Policies	Status
Revenue and Financing Policy	Included in LTP. Will be consulted upon in parallel with the CD.
Rates Remissions Policies (including Policy on the remission of rates on Maori freehold land)	Not included in the LTP. Will be consulted upon in parallel with the CD.
Development Contributions Policy	
Fees and Charges	
Investment Policy	Not included in the LTP. No consultation requirements. Reviewed annually with the Audit and Risk Committee.
Liability Management Policy	Not included in the LTP. No consultation requirements. Reviewed annually with the Audit and Risk Committee.
Significance and Engagement Policy	Adopted by Council. Council has previously resolved not to undertake consultation on changes to this Policy. A summary of the policy is required to be included within the LTP.

Issues

The outcome of this process will result in new plans for Council to take effect from 1 July 2018. The LTP is the 'cornerstone' of the Local Government Act 2002 planning process. Once adopted, the LTP will set the direction for Annual Plans and Annual Reports over the next three year cycle. Section 96 of the Local Government Act 2002 (LGA 2002) states that when a council adopts a LTP it is providing a formal and public statement of the council's intentions; but a resolution to adopt a LTP does not constitute a decision to act on any specific matter included within the plan. There are statutory restrictions if Council wants to deviate from the direction established in the adopted LTP.

Council has worked through a number of strategies and projects over the past year and as a result activity plans and business plans have been developed for the next ten years, with an emphasis on the next three years. These plans provide the basis for the LTP, and a tool for the on-going planning of these activities.

Audit

The draft LTP and CD now need to go through a mandatory audit process including 'hot review' (peer review and moderation). Section 94(1) of the LGA 2002 provides the statutory context for the audit. Under this section our LTP must contain a report from the auditor on—

- whether the plan gives effect to the purpose of the Long-Term Plan
- the quality of the information and assumptions underlying the forecast information provided in the plan.

Adjustments will likely be made through the audit process to improve the transparency, readability and consistency of the documents and ensure they meet legislative requirements and reflect good practice. The audit process will review our financial strategy, underlying information, asset and activity management, assumptions, accounting policies, performance measures and Levels of Service, legal compliance, financial prudence and the right debate.

Maori participation in decision-making

This section of the LTP 2018-28 has been developed in collaboration with the Forum. Traditionally it has included updates on Treaty of Waitangi settlements and associated legislation, a description of the functions of the Forum and also how Council engage with local iwi/hapu on matters relating to resource management. Recent changes to the Resource Management Act 1991 (RMA) may see some changes to how council engage with iwi/hapu on RMA matters. The Forum has reviewed and accepted this section without any further amendments at its December meeting.

Analysis

Options considered

The LTP is the major strategic planning document for Council. Council therefore needs to carefully consider the content of the plan. At this stage Council has the following options:

1. Council has the option to defer approval of the LTP (pending further amendments to it). Given the next scheduled Council meeting is in February 2018 this would create challenges with the audit of the plan which is scheduled to take place in January 2018.
2. Council can approve the LTP for audit purposes.

Council will still need to approve the CD and underlying information for consultation in early 2018. The CD will form the basis of the community consultation process and the LTP will be subject to further consideration and any changes by Council as part of this process.

Prudency and risks

In preparing the LTP some prudency and risks have been considered:

Prudency

- Financial prudency – Council has considered its debt levels and ability to service debt in compiling the financial forecasts for the Long Term Plan. These are disclosed in our Financial Strategy. Council took treasury advice from Price Waterhouse Cooper on prudent limits for local government organisations of our size. The limits set out below are considered to be conservative.
 - A limit on a prudent level of debt has been set as follows: Net debt as a percentage of total revenue will not exceed 150%.
 - A limit (in line with our borrowing policy) as follows: Annual interest costs will be less than 15% of total revenue and 20% of rates revenue.
 - Rates limit discussion – Council has determined that annual rates increases will be kept below 4% for the 10 year period. This is considered to be the upper limit in terms of rates affordability for our community. It is also considered to be both prudent and realistic to ensure that desired levels of service are maintained. Currently Councils projected rates increases are above the 4% limit in some years however Council's annual goal will be to keep the rate increases below the limits indicated in the plan.
- Balanced budget – Council has indicated that, in keeping with previous decisions that it will not operate a balanced budget in some areas.
 - Elderly Person Housing, Owner-Occupier Housing and rural halls are ring-fenced operations. Any surplus or deficit is held against the activities and recovered or used in future years. Financial forecasts for these areas (including the renewal profiles for the assets) indicate that this approach presents minimal risk.
 - For some assets (rural halls and local community buildings) depreciation will not be funded. Some assets (rural halls and local community buildings) will not be depreciated. These buildings are not considered to be essential to Council's core services. In the case of rural halls, the assets are administered by local hall committees. Separate hall rates are in place to fund the operation of the halls. Council has decided that decisions on major upgrades and/or renewals should be made by local hall communities. These communities will also determine whether to fund this work from hall rates or community fund-raising.
- Infrastructure asset management plans/asset information
 - Information on the quality of our asset information and confidence levels in relation to these has been set out in within the Asset Management Plans. In general we consider that we have reasonable information regarding our assets, however improving asset information is part of an ongoing programme for our business. The information reveals that there are aspects of our asset data relating to piped assets that are not at the desired level. This has been progressively reduced in successive LTPs. The renewal profiles for these assets have been reviewed with operational staff to ensure that the programmes align to our current and historical knowledge of the network. That is that we are not and have not experienced escalating asset failures (note we are currently in the fourth LTP cycle). The asset improvement plans identify the ongoing condition rating programme to further improve our knowledge of the assets.
 - Our asset management plans are externally reviewed on a quarterly basis. Additional reviews have been undertaken as part of the LTP process. Staff are finalising the plans including matters raised in the external review process.
- Revenue and Financing Policy –this sets out our expected revenue sources and our rational for them, in line with section 103 of the Local Government Act 2002.
 - We have reviewed the overall budget and revenue sources against previous performance in each activity and the proposed fees and charges – on this basis we consider that the expected revenue sources are reasonable. One of the key changes proposed is Councils approach to refuse/recycling funding.

○ Capital funding – renewals form the major portion of annual capital expenditure. Council fully funds depreciation on assets for essential services and this provides the main source of capital funding. Loan funding is used primarily for new assets or where renewals expenditure exceeds depreciation funds in any one year. Development contributions are also a source of capital funding in accordance with the Development Contributions Policy.

Risks

We have identified below the major risks to the budgets below:

- Macroeconomic effects and unplanned events – sensitivity analysis is still to be undertaken to test the robustness of Council's financial strategy. This will include movements in interest rates and inflation.
- Loss of major users of services/revenue – Council has made a conscious decision to partner with industry in our district on the supply of water and wastewater services. This is viewed promoting economic development through entrenching these industries in our communities. We have recognised there is risk involved with these transactions, and made provisions to mitigate these where possible.
- Capital obligations - Fonterra and Greenlea are significant partners in the upgrade of the Morrinsville wastewater treatment plant, their obligations to repay capital are a contractual obligation, secured as a targeted rate against the properties that receive the service.
- Expected revenue – over 90% of annual extraordinary water income is sourced from 4 industries. We have been conservative in our estimates of the metered water revenue; however this area of our funding has the potential for a high level of uncertainty.
- Major project estimates – a significant portion of the capital programme relates to renewals. There is a high degree of confidence in the estimates for this type of work. There has been a concentrated effort on providing reasonable estimates for growth related expenditure (Plan Charge 47). The two most high profile projects are the Matamata Indoor Stadium and Town Bypasses. There has been background work undertaken on estimates for these projects.

Analysis of preferred option

The preferred option is for Council to approve the CD and draft LTP (as the underlying information supporting the CD) at this meeting for the purposes of submitting documents to audit.

Legal and statutory requirements

There are an array of legislative requirements for the LTP set out in the LGA 2002, the Local Government (Financial Reporting and Prudence) Regulations 2014 and Local Government Rating Act 2002. The key legislative requirements have been summarised through the various sections of this report and are not set out further.

Impact on policy and bylaws

The LTP process sets new policy for Council.

Consistency with the Long Term Plan / Annual Plan

This report seeks approval of the LTP for audit purposes.

Impact on significance policy

The LTP and the proposals within it are significant. The LTP will be subject to a full consultation process in early 2018.

Communication, consultation and decision making processes

The Long Term Plan is subject to the special consultative process under the LGA. The special consultative process is a structured one month submission process with a hearing for those who have submitted and wish to speak to their submission.

The Long Term Plan project timeline also provided for a 'pre-consultation' process with the community referred to as the Right Debate where Council sought feedback on the key issues it is considering for the Long Term Plan.

Upon the draft LTP being adopted the public will have the opportunity to make submissions. The LGA 2002 says that Councils must use the 'special consultative procedure' to provide that opportunity for participation. The special consultative procedure has its own detailed requirements and refers to a Statement of Proposal – for LTPs the Statement of Proposal is the CD.

A communications/consultation plan will be presented to Council in February 2018.

Consent issues

There are no consent issues.

Timeframes

Process	Start	Finish
Interim Audit	4 December 2017	8 December 2017
Council sign off on draft LTP and CD for Audit	13 December 2017	13 December 2017
Audit of the LTP	22 January 2018	2 February 2018
Audit and Risk Committee to review audited LTP	6 March 2018	6 March 2018
LTP CD approved for consultation (and supporting information)	7 March 2018	7 March 2018
Submissions open	28 March 2018	29 April 2018
LTP hearing	16 May 2018 (17 May if required)	16 May 2018 (17 May if required)
Council adopt final LTP Rates struck for 2015/16	27 June 2018	27 June 2018
LTP in force	1 July 2018	30 June 2021

Contribution to Community Outcomes

The LTP contributes all community outcomes. The community outcomes are set out in Part 1 of the LTP and the contribution that each activity makes to the outcomes is outlined in the relevant activity plans.

Financial Impact

i. Cost

Preparation of the LTP is provided for within existing budgets. The total budget for the Long Term Plan 2018-28 is \$135,000 (funded \$45,000 per year) and \$90,000 for external audit fees (funded \$30,000 per year). This is broken down to external consultant on specific tasks (i.e. population projections), legal advice/peer review, design and printing, consultation, advertisement and external audit by Audit NZ.

The funding source for all the activities within the plan is set out in the Revenue and Financing Policy.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Niall Baker Acting Senior Policy Planner	
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Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Manaia Te Wiata Group Manager Business Support	
	Don McLeod Chief Executive Officer	

Long-Term Plan 2018-28, Rates Structure and Revenue and Financing Policy

Trim No.: 1872628

Executive Summary

Local government funding sits at the heart of the relationship between local councils and their communities. Local government funding decisions involve balancing levels of service, affordability and financial need, backed with economic and legal requirements. Under the Local Government Act 2002 (LGA) Council must adopt a Revenue and Financing Policy setting out Council's policies in respect of the funding of operating expenses and capital expenditure. Under the Local Government (Rating) Act 2002 (LGRA) Council can set rates, a taxation tool to help fund the services it provides.

This report seeks confirmation from Council on its rates structure and the Revenue and Financing Policy, so this can be incorporated into the Long-Term Plan 2018-28.

Recommendation

That:

1. The information is received.
2. Council adopts the draft Revenue and Financing Policy and Statement of Proposal:
 - (a) for public consultation purposes and proceed through the special consultative process in accordance with the Local Government Act 2002:
 - (b) in accordance with section 93G of the Local Government Act 2002, as information:
 - (i) relied on by the content of the Consultation Document
 - (ii) that provides the basis for preparing the Long Term Plan
 - (iii) is necessary to enable the auditor to give the opinion on the Consultation Document.
3. Council resolves that using this process will give effect to the 'Principles of consultation' set out in section 82 of the Local Government Act 2002
4. The Statements of Proposal for the above policies be approved for consultation alongside the Consultation Document for the Long-Term Plan 2018-28

Content

Background

Council's financial framework falls in to four key areas:

- the Financial Strategy - what Council's debt and rates levels will be, along with some other important issues such as what investments Council holds and its reasons for holding them;
- the Revenue and Financing Policy (s102 LGA) - what activities Council fund from rates and other sources such as fees and subsidies;
- the Rates structure - the main funding tool setting out how Council will charge the ratepayer for some of the service Council provides. This is Council's main source of income;

- the Development Contributions Policy (s102 LGA) - if and how Council will charge developers for growth related costs. A previous report has been sent to Council on this policy and further work is being done on this.

In addition section 102 of the LGA also requires that local authorities adopt the following set of funding and financial policies:

- an investment policy
- a liability management policy
- a policy on remission and postponement of rates on Maori freehold land.

There are also two optional policies under section 102 of the LGA – policies on the remission and postponement of rates on categories of land other than Maori freehold land – this is currently used by Council as the framework for the remission on commercial properties subject to the Wastewater “pan Charge”. These policies will be reviewed by Council as part of the Long Term Plan project.

Issues

Economic Concepts

In considering the Revenue and Financing Policy and how Council structures its rates, some useful economic concepts to keep in mind are:

- *incidence* – the distribution of the burden of rates. Two key things to distinguish are the legal incidence of the tax (who gets the bill) and the economic incidence (from whose pocket the money eventually comes)
- *the difference between income and wealth* – income is a flow concept. It measures the amount of money an individual receives from work or investment over a set period of time. Wealth, on the other hand is a stock concept and measures the level of financial and non-financial assets an individual has. Rates are a tax on one element of wealth
- *affordability, ability to pay, and willingness to pay* – this is the difference between ‘can’t pay’ and ‘don’t want to pay’. Affordability is a measure an individual’s true capacity to meet their contribution to community services. Willingness to pay relates more to the value an individual thinks they receive from council services
- *efficiency* – the degree to which local authority funding requirements affect production and consumption decisions
- *equity* – very much a subjective concept, equity relates to the ‘fairness’ of certain decisions
- *public/private goods* – a *public* good is an activity or service that is both non-rival (my consumption does not interfere with yours) and non-excludable (I cannot be prevented from consuming the service). Common examples in local government are civil defence and various planning functions. A private good is both rival and excludable.

Revenue and Financing Policy

At their most basic level, funding and financial policies show who pays, for what, when. They are part of the package of material that supports the right debate and need to be transparent.

The Revenue and Financing Policy is a device for recording and explaining the policy decisions Council has made regarding the funding of its activities. Transparency in this document is

especially important to demonstrate the link between dollars and value to the ratepayer. Much of the Revenue and Financing Policy will refer to the considerations in section 101(3) of the LGA, and Council's application of those considerations. The analytical process is a sequential two-step process. The first step includes consideration at an activity level the rationale for service delivery, the beneficiary pays principle, the exacerbator pays principle, inter-generational equity, and the costs and benefits of separate funding. The second step of the analysis involves consideration of the results of the first step and their impact on community interests.

A clear rationale for service delivery is a vital piece of information to have when working through the section 101(3)(a) analysis. Knowing why Council is delivering the service can help sort out who benefits, when they benefit, and who any of the exacerbators are, as well as obtaining some idea of what impacts on community interests might arise from the way Council funds a service.

Council's current Revenue and Funding Policy

Council's funding and options for change are set out in the Statement of Proposal and draft Revenue and Finance Policy.

Rating Structure

Although not a funding and financial policy as such, the funding impact statement (FIS) is a device for implementing the revenue and financing policy. Effectively the FIS acts as a link between this policy and the annual setting of rates and charges. The FIS should contain all of the information relating to the factors and matters that will be used to set rates. The LGRA gives Council four broad rating tools that can be used to set rates. The options are set out below in this report, followed by an overview of how Council's current rating system is structured.

The General Rate

The general rate is a tool for funding those activities where Council has decided that all or part of the cost of a particular activity should be funded by the community as a whole. Councils have the choice of one of three bases for setting a value-based general rate. These are land (unimproved value), capital value (land and improvements) or annual value (either rentable values or 5 percent of the capital value).

Capital and annual value tend to be better proxies for ability to pay and use of council services than unimproved values. Capital and annual value are also thought to be less prone to sudden swings than unimproved values as location-based factors play a lesser role. On the other hand, to the extent that rates are a part of business cost structures, rating based on unimproved values can be more of an incentive for development. Annual value needs a large and active rental market to work effectively, and is not one of the well-used methods of apportioning the general rate.

Councils can use differential powers on their value-based rates i.e. charge one category of property a higher rate in the dollar than another. Differentials are a tool for altering the incidence of rates; they do not release new revenue in and of themselves. Use of differentials can create 'winners and losers' – it is therefore important that these policies are based on robust criteria.

Council has in the past considered that general rates are the 'public good' component which is available to be enjoyed equally by the whole community. General rates also used to pick up short-falls in cost recovery. For example, using the libraries example:

- The individual benefit is considered high,
- the community benefit considered medium
- General rate funds +80% as a significant increase in user fees will likely result in a drop-off in use

The Uniform Annual General Charge (UAGC)

The UAGC is a flat dollar charge per property, or separately used/inhabited part of a property. The UAGC is a device for mitigating the impact of high property values, it can also be used as a tool to shift the incidence of rates between groups of rate payers (for example rural vs. urban). It is a regressive tax (you pay the same amount regardless of income or wealth) – this is one reason why the LGRA caps the use of this tool at 30%. Council policy is that the Uniform Annual General Charge can be set at a range between 75-100% of the maximum.

Targeted Rates

Targeted rates are devices for funding those activities where Council has decided that:

- all or part of the cost of a particular activity should be met by particular groups or
- ratepayers; and/or
- there is some other advantage in funding the activity outside of the general rate.

Councils have access to a wide range of targeted rating powers including: property values (land value, capital value, annual value and the value of improvements). Local authorities can also set a targeted rate based on one or more of the following:

- a flat dollar charge
- the number of separately used or inhabited parts of a rating unit
- the number of water closets and urinals within the rating unit (pan charges)
- the number of connections the rating unit has to local authority reticulation
- the extent of provision of any service to the rating unit by the local authority (where this is capable of objective measure and independent verification)
- the total land area of the rating unit
- the total land area within the rating unit that is sealed, paved or built upon
- the total area of land within the rating unit that is protected by any facility provided by a local authority
- the total area of floor space within the rating unit.

In addition to these powers, a local authority can set a targeted rate for water consumption based on the volume of water consumption (water metering).

Council can set:

- more than one targeted rate to fund a particular activity (for example, many rural local authorities with more than one water or sewage scheme set a rate for each scheme, some city councils charge a base water supply rate and an additional fire protection rate to fund water supply) or
- a targeted rate to fund more than one activity (targeted works and services rates are a common example of this)
- a targeted rate over only some defined categories of property (such as CBD rate for security patrols, street-cleaning or development or a tourism rate over commercial property). The bases for constructing the categories are defined in Schedule Two of the Rating Act.
- a differential targeted rate – provided that the basis for constructing the categories is one of the matters listed in schedule two
- targeted rates using combinations of factors (a not uncommon use is to set a flat dollar charge and a value based rate)
- including a rate that uses different factors for different categories of property (so for example a targeted rate that is set on the basis of a flat dollar charge for residential property, a value based rate for commercial property and an area based rate for rural property)

Non-Rate Funding Tools

Councils also have the following non-rate funding tools available to them:

- User charges – a variety of powers exist, some set maxima on the levels of fees, others prescribe charging methods (for example dog registration fees);
- Development contributions – a tool for recovering the capital costs that are imposed by growth from development;
- Revenue from investments;
- Asset sales – for example the sale of surplus land;
- Funding from third parties (including but not limited to central government – for example subsidies for roading).

Council's rates funding structure

Rate	Description
General Rate	Set under Section 13 of the LGRA on all rateable land based on cents in the dollar of capital value
Uniform Annual General Charge	Set under Section 15 of the LGRA on all rateable land as a fixed charge per rating unit.
Water Supply Targeted Rates (not metered)	A differential targeted rate for Water Supply set under Section 16 of the LGRA based on. <ul style="list-style-type: none"> • A uniform charge for serviced and connected portions of rating units • A uniform charge (1/2 the rate of a connected property) per portion of a rating unit to which the service is available.
Water Supply Targeted Rates (metered)	Targeted rates for metered Water Supply under Section 19 of the LGRA with different charges for: <ul style="list-style-type: none"> • Metered water supplies • Te Aroha West • Braeside Aquaria • Matamata farm properties connected to the Tills Road trunk main • Inghams Factory, Waitoa
Wastewater Targeted Rates	Differential targeted rates for Waste Water disposal under Section 16 of the LGRA: <ul style="list-style-type: none"> • A uniform charge per connected rating unit in respect of each single residential house connected to the service. • A uniform charge (1/2 the rate of a connected property) per rating unit to which the service is available (but not connected). • A scale of charges for non-residential properties (1 pan, 2-4 pans, 5-10 pans, 11-15 pans and over 20 pans) • A uniform charge for Fonterra (Morrinsville) • A uniform charge for Greenlea (Morrinsville) • A uniform charge Tahuna (lump sum contributions for connected and non connected properties) • A uniform charge for Waharoa/Raungaiti (lump sum contributions for connected and non connected properties)
Stormwater Targeted Rates	A targeted rate for Storm Water drainage disposal under Section 16 of the LGRA based on a uniform charge per rating unit within the townships of Matamata, Morrinsville, Te Aroha and Waharoa.
Waste Management Targeted Rates	A targeted rate for Waste Management under Section 16 of the LGRA based on a uniform charge per portion of a rating unit to which the service is available for a portion of the revenue for kerbside collection.
Rural Halls	Targeted rates for Rural Halls under Section 16 of the LGRA based on: <ul style="list-style-type: none"> • Cents in the dollar of land value for Tauhei Hall, Hoe-O-Tainui Hall, Springdale Hall, Kiwitahi Hall, Patetonga Hall, Wardville hall, • a uniform charge per rating unit on all rating units for Mangateparu Hall, Kereone Hall, Tatuani Hall, Walton Hall • cents per dollar on the capital value of all rating units for Okauia Hall, Hinuera Hall, Piarere Hall, Peria Hills Hall • a uniform charge on every separately inhabited part of all residential

	and/or farming rating units for Mangaiti Hall, Waharoa Hall, Waitoa Hall, Waihou Hall, Elstow Hall, Manawaru Hall, Te Poi Hall
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The general rate and UAGC provide either partial or total funding for the following activities, there are reflected in the funding sources identified in Council's Funding and Revenue Policy.

Activity	Approx % of general rate and UAGC used to fund this activity
Roading	31.79%
Aquatic facilities	12.08%
Community Development	10.38%
Parks & Reserves	8.49%
Council	6.93%
Libraries	6.85%
Planning Consent & Advisory Services	4.52%
Street furniture	3.32%
Corporate & Other Property	3.31%
Building Advisory	3.31%
Carparks	2.23%
Waste Management	2.21%
Cemeteries	1.08%
Emergency Management	1.06%
Health Inspection	1.00%
Land Drainage & Stormwater	0.81%
Animal Control	0.71%
Aerodrome	0.10%

Analysis

Options considered

Revenue and Finance Policy

Council can review the funding structure for its activities, any change in the way it funds activities should follow the process set out in the legislative section of this report. Some areas are not within Council's control, such as the final decision on the level of subsidies provided by NZTA for roading. Others are constrained, such as the use of development and financial contributions. Staff are seeking Council direction on whether the draft Revenue and Finance Policy is consistent with Council's direction for the next Long term Plan.

Rates Structure

Staff are seeking Council direction on whether the rates structure is consistent with Council's direction for the Long Term Plan 2018-28.

Analysis of preferred option

There is no preferred option. Council should give consideration to the legislative requirements and ensure any funding decisions are sustainable, prudent and meet community outcomes.

Legal and statutory requirements

When making funding policy Council will need to work through the process and matters set out in section 101(3) of the LGA, while having regard to the section 101(1) obligation to act prudently and in the interests of the community. These requirements provide local authorities with a list of matters to consider as part of the development of a transparent revenue system.

The legislative requirements for the Revenue and Financing Policy are firstly to set out any policies Council has on the funding of operating and capital expenditure from the following sources:

- general rates (including the choice of valuation basis, differential rates and the use or otherwise of uniform annual general charges)
- targeted rates (but noting that the LGA 2002 does not specify any further disclosures – in other words, the revenue and financing policy need not disclose the basis on which the rates are set, and the basis for any differentiation)
- fees and charges
- interest and dividends from investments
- borrowing
- proceeds from asset sales
- development contributions
- financial contributions
- grants and subsidies
- any other source.

The second part of the requirement is that the policy must also show how the selection of funding sources in the policy complies with the funding policy process in section 101(3). The section 101(3) requirements recognise that funding policy is more than just a device for raising revenue, but subject to the prudence test, is also one of the instruments that Council may wish to use to promote community interests. While the results of section 101(3) analysis are presented in the revenue and financing policy they apply equally to other policies.

Specifically section 101(3) requires that the funding needs of Council must be met from those sources that it determines to be appropriate, following consideration of:

- in relation to each activity to be funded
 - the community outcomes to which the activity primarily contributes; and
 - the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - the period in or over which those benefits are expected to occur; and
 - the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- the overall impact of any allocation of liability for revenue needs on the community.

When considering its rates structure Council should consider the following questions:

- What is Council's philosophy in setting rates?
- What rating tool(s) will help Council achieve its philosophy?

- Has Council considered:
 - the exacerbator pays principle?
 - issues regarding intergenerational equity?
 - integration with its financial strategy and other funding policies e.g. DCs Policy?
 - achievement of community outcomes?
 - private vs public good considerations?
- Does the proposed approach meet the requirements of the LGRA?
- Has Council met its decision making requirements under the LGA?
- Is the proposed approach financially prudent (including demonstrating certainty of income)?
- Is the proposed approach sustainable, reasonable and fair (equitable)?
- Is the proposed approach a transparent approach to funding Council activities?
- Is the proposal affordable? (Youth, elderly, community groups or other sectors of our community?)
- Is Council satisfied with the incidence of rates across the community?
- Are there any market forces or unintended consequences at work?
- Is the proposal practical and can it be implemented efficiently?
- Are there any outlying results? Can these be managed through a remission policy?

Impact on policy and bylaws

Decisions made by Council will affect the Revenue and Financing Policy. Decisions regarding funding will also have a potential impact on the fees and charges set by Council and other policies, such as rates remissions policies.

Consistency with the Long Term Plan / Annual Plan

The Revenue and Financing Policy and Rates structure review are key part of the development of the Long Term Plan 2018-28.

Impact on significance policy

The Revenue and Financing Policy and Rates Structure are significant, and form a key part of the Long-Term Plan. Consultation will occur in conjunction with that plan in 2018.

Communication, consultation and decision making processes

Council must use the special consultative procedure in adopting or amending its:

- revenue and financing policy;
- policy on development contributions or financial contributions;
- policy on the remission and postponement of rates on Maori freehold land.
- rates remission policy;
- rates postponement policy.

Consent issues

There are no consent issues.

Timeframes

Staff are aiming to have the essential parts of the Long-Term Plan signed off in draft on 13 December 2017.

Contribution to Community Outcomes

Healthy Communities - We encourage community engagement and provide sound and visionary decision making.

Financial Impact

i. Cost

The cost of developing the Revenue and Finance Policy and Rates Structure is funded as part of the Long Term Plan.

ii. Funding Source

Council has provided a budget for the preparation of the Long Term Plan in its Annual Plan.

Attachments

There are no attachments for this report.

Signatories

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Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

Long Term Plan 2018-28 - Audit Arrangements Letter and Fees

Trim No.: 1955547

Executive Summary

The Audit Arrangements Letter (AAL) for the 2018-28 Long Term Plan (attached) outlines the:

- terms of the audit engagement;
- approach to the audit;
- areas of particular audit emphasis;
- audit logistics; and
- professional fees.

While the substance of the (AAL) is recommended by the Audit and Risk Committee, the Committee requested more information on the appropriateness of the proposed fee before the draft was provided to Council.

Recommendation

That:

1. The information be received;
2. Council approve the Audit Arrangements Letter for the Long Term Plan 2018-28, to be signed on Council's behalf by the Mayor.

Content

Background

Attached for the committee's information is the Draft AAL and a letter from the Office of the Auditor General regarding the approach expected of the auditors when setting fees for the Long Term Plan audit.

Audit New Zealand

Audit New Zealand has provided further details on how the audit fees for Long Term Plans have historically been set, as the method differs from that used for setting fees for the Annual Report. Their comments are as follows:

The Annual Report fees are set using a "bottom up" approach.

The engagement team considers:

- the amount of time expected to complete the work and at what level that work should be completed by (note that it may differ from actual but no additional charges are recovered as a result of using a higher powered team that may complete the work quicker or a lower power team which may take longer); and
- any changes to the entity, risk profile, systems or reporting and auditing standards; and

- we also consider the previous years' experience and time taken to see if our expectation is correct.

Note: We prepare this on good client delivery as expected in our terms of engagement.

The OAG then compares these proposed fees across the sector to see if it is comparable to other similar sized entities with similar risks. They also consider the team mix to ensure that it is appropriate for the risk.

The Long-term plan fees are currently set on a "top down" approach.

The Auditor General made a decision that the audit fee envelop (the total audit fees across the Local Government Sector) for the 2018 year was to increase by 5% from the 2015 level. The 2015 LTP envelop was the same as 2012). It has also been agreed that Audit Service Providers – Audit NZ / Deloitte could decide on how the fee envelop was distributed across their portfolio's Audit NZ has made the decision to largely agreed a flat increase across its client base.

Historically, the LTP fees were set on a bottom up approach but have not been amended since originally set and therefore the hours do not reflect consideration of actual time spent, changes in legislation or any auditing or reporting requirements

In essence the 5% increase is on the 2012 fee of \$74,000 (It may also be important to note that the fees in 2012 was actually \$80,080 - recovery of \$6,080)

Where Annual report work can be completed by testing balances and performed by lower level staff, an LTP requires a review of forecasting models and underlying assumptions and more professional judgement - generally held by senior level staff.

Audit has amended the team hours from the 2012 base, as they have a better estimate of how long it is likely to take, where as previously the allocated hours was based on 379 (listed as 548) This means our average charge out rate is \$142 p/h but the original budgeted hours reflects an average per hour rate of \$206 p/h. This represents the use of more higher level staff.

The average fee for an Audit New Zealand audited District Council is \$84,500.

Audit fee comparisons with councils within \$10 million revenue of MPDC

Staff have compiled a sample of audit fees from other councils with revenue within \$10 million of Matamata-Piako. These indicate that the fees proposed for Council are not outside the range for councils of this size.

Council	2015/16 Revenue*	2018-2028 LTP proposed fee	Disbursements & GST	Accepted	Comments
Central Otago	43,380	79,000	Exc	Yes	Have approved through Annual Plan process
Waitaki	45,317	77,000	Exc	Yes	Have approved already through LTP 2015-25 process
Horowhenua	46,036				Request due to be advised by 4/12
Manawatu	46,703	n/a			Have not received proposed fees from Audit as at 8/11/17
Matamata-	51,541	78,000	Exc		

Piako				
Upper Hutt	53,802	80,000	Exc	Estimate advised from Audit to use for budgeting, Audit to confirm once receives advice from OAG.
Kaipara	56,928			Request due to be advised by 14/12
Whakatane	56,933	n/a		Have not received proposed fees from Audit as at 14/11/17

*Information from Annual Report

Attachments

- A. Draft Audit Arrangements Letter LTP 2018-28
- B. OAG letter - approach to audit fees for the Long Term Plan 2018-28

Signatories

Author(s)	Michelle Staines-Hawthorne Corporate Strategy Manager	
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Approved by	Don McLeod Chief Executive Officer	
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Draft Fees and Charges 2018/19

Trim No.: 1949937

Executive Summary

Council's fees and charges are reviewed annually. The purpose of this report is to seek approval by Council for the draft Fees and Charges 2018/19 and the corresponding statement of proposal for public consultation alongside the draft Long Term Plan 2018-28 consultation document. The statement of proposal is attached to this report and draft Fees and Charges 2018/19 have been circulated separately.

Recommendation

That:

1. The information be received.
2. Council approves the draft Fees and Charges 2018/19 and corresponding statement of proposal for public consultation alongside the Long Term Plan 2018-28 consultation document; or
3. Council approves the draft Fees and Charges 2018/19 and corresponding statement of proposal for public consultation alongside the Long Term Plan 2018-28 consultation document with amendments.

Content

Background

Each year Council reviews its fees and charges and consults on any proposed changes with the community alongside the Long Term Plan or Annual Plan.

Issues

Council is required to adopt its fees and charges in time for the 2018/19 financial year. The fees and charges have been developed in conjunction with the Long Term Plan budgets for 2018/19, while small amendments will likely have little impact on revenue, larger changes would have a direct impact on the revenue forecast in the Long Term Plan budgets. Any significant changes to the fee structure may not be aligned with our Revenue and Financing Policy in the Long Term Plan 2018-28.

Changes

The majority of the fees and charges have either remained the same or have been increased based on inflation data from Business and Economic Research Ltd (BERL) and then rounded accordingly. This is to ensure our fees and charges are kept up to date and reflect actual and reasonable costs. Where fees and charges have changed (either increased or decreased) these are explained with reasons for the proposed changes in the draft Fees and Charges 2018/19 document. Key changes are:

- Cemetery plot fees have been aligned with surrounding councils and also include a proposal to increase interment fees to cover increased costs.
- Addition of a no refund policy for cancellations of venue hire within seven days of the event.

- Fees are proposed for the Matamata-Piako Civic and Memorial Centre.
- New activities under the Resource Management Act 1991 have fees proposed.
- Proposing that rubbish bags be reduced in cost to reflect the change to how this activity is funded.
- Transfer station refuse fee changes are proposed due to:
 - The increased cost of transport and disposal at Tirohia; and
 - the increased disposal costs an increase is proposed for tyre and hazardous waste disposal including the minimum charge; and
 - Council policy to shift more of the actual costs of the operation of the transfer stations to being recovered from fees and charges.
- Photocopying/printing fees are proposed to be reduced.
- A proposal to increase lifeguard fee due to associated increased costs.

Legal and statutory requirements

Under Section 150 of the Local Government Act 2002 (LGA) Council may prescribe fees or charges payable for a certificate, authority, approval, permit, or consent from, or inspection by the Council in respect of a matter provided for—

- (a) in a bylaw made under the LGA; or
- (b) under any other enactment, if the relevant provision does not—
 - (i) authorise the local authority to charge a fee; or
 - (ii) provide that the certificate, authority, approval, permit, consent, or inspection is to be given or made free of charge.

In addition, other legislation such as the Resource Management Act 1991 and Building Act 2004 empowers Council to fix fees or charges for certain purposes (such as processing resource consents) under those Acts.

Under Section 150(3) of the LGA, fees or a scale of charges may be prescribed in bylaws or separately using the principles of consultation set out in section 82. Council has opted not to use bylaws to set fees and charges at this time. Therefore the requirements of section 82 apply.

It is proposed to undertake consultation in accordance with the section 82 principles of consultation (providing information, allowing affected people to present feedback to Council, being clear on the purpose of the consultation/scope of decisions to be made, Council having an open mind/giving due consideration to views, and providing clear records of decisions). It is proposed to consult on the fees and charges alongside the Long Term Plan consultation document and other policies.

Where Council is required to consult in accordance with, or using a process or a manner that gives effect to, the requirements of section 82 it must make the following publicly available:

- the proposal and the reasons for the proposal; and
- an analysis of the reasonably practicable options, including the proposal, identified under section 77(1); and
- if a plan or policy or similar document is proposed to be adopted, a draft of the proposed plan, policy, or other document; and
- if a plan or policy or similar document is proposed to be amended, details of the proposed changes to the plan, policy, or other document.

Under section 77(1) of the LGA Council must, in the course of the decision making process seek to identify all reasonably practicable options, assess the options in terms of their advantages and disadvantages. The statement of proposal seeks to address these requirements by setting out the proposal and reasons for setting fees and a discussion of the possible options Council has

available. The full schedule of proposed fees and charges will also be made publicly available at Council offices, libraries and website.

Impact on policy and bylaws

As drafted the fees and charges are consistent with Council's Revenue and Financing Policy. Significant changes in the setting of the fees and charges would potentially be inconsistent with Council's Revenue and Financing Policy.

Consistency with the Long Term Plan / Annual Plan

The draft Long Term Plan 2018-28 budgets (specifically the revenue from fees and charges for affected activities) has been forecast based on the level of proposed fees and charges.

Timeframes

Process	Date
Council approve statement of proposal and Fees and Charges 2018//19 for public consultation	13 December 2017
Consult the community (alongside the Long Term Plan 2018-28 and various policies)	28 March – 29 April 2018
Council hearing (volume of submitters will determine if the meeting is required to run for both days)	16/17 May 2018
Submitters to be advised of outcome of hearing	18 May-22 June 2018
Adopt Fees	27 June 2018

Contribution to Community Outcomes

Healthy Communities - We encourage community engagement and provide sound and visionary decision making.

Financial Impact

i. Cost

The fees and charges set by Council are done on the basis of either total or partial cost recovery for certain services. The proportion of costs intended to be recovered for any given activity is set out in Council's Revenue and Financing Policy. This in turn influences the level of fees set for a service. Changes to the level of fees charged for a service will impact Councils budgets (potentially increasing or decreasing revenue from this source).

Attachments

- A. Statement of Proposal - Fees and Charges 2018/19 - for consultation 28 March to 29 April 2018

Signatories

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Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

Draft Development Contributions Policy and Statement of Proposal

Trim No.: 1954054

Executive Summary

The purpose of the report is to present the draft Development Contributions Policy and associated Statement of Proposal for approval by Council for audit purposes, a copy of which has been circulated separately to this report.

Development Contributions are charges paid towards Council-funded infrastructure required as a result of growth in development and new households. The charges are based on the cost of providing these services to new developments and ensure these costs are fairly attributed.

Every new development that connects into Council's infrastructure services places a demand on those services. Infrastructure services include roading, water, wastewater, and stormwater. Development Contributions make sure that the cost of providing the infrastructure to support growth is paid by those who created the need for the additional infrastructure. Council meets the cost of maintaining existing levels of service to ratepayers, while the cost of additional services is funded by those creating the demand.

Council staff have reviewed the current Development Contributions Policy alongside the Long Term Plan 2018-28 (LTP) and this has been discussed by Council through a series of workshops and meetings.

Recommendation

That:

1. The information be received;
2. Council adopts the draft Development Contributions Policy and Statement of Proposal for audit purposes

Content

Background

In general, rates fund the cost of existing infrastructure – the roads, water and waste water infrastructure, parks and community facilities our ratepayers enjoy. However, Council will also need to provide infrastructure for forecast growth.

Development Contributions fund the growth component – the extra infrastructure, services and amenities that new developments require. Council funds those costs in the interim but under the Development Contributions Policy, expects to recover these costs through Development Contributions.

Development Contributions can only be charged to fund the portion of new infrastructure that is related to growth. They cannot be used to fund:

- non-growth related level of service or infrastructure quality upgrades;
- maintenance;
- renewal of infrastructure; or
- infrastructure operating and operational costs such as salaries and overheads¹.

Development Contributions are set under the Local Government Act 2002 (LGA). They cannot be spent to achieve a purpose for which they were not collected – for example Water Development Contributions must be spent on growth related projects for water infrastructure.

Development contributions cannot be charged if, and to the extent that, infrastructure is provided by the developer, funded by a third party or is being funded through Resource Management Act 1991 (RMA) financial contributions². Council currently collects financial contributions for parks and reserves, and in limited circumstances roading, under its District Plan.

Due to the Resource Legislation Amendment Act 2017 Councils will not be able to charge financial contributions under the RMA from 5 years after Royal Assent (which was obtained on 18 April 2017).

Development contributions are currently being used by around 45 territorial authorities in New Zealand with about eighteen territorial authorities not charging development contributions - most of these use RMA financial contributions instead. South Waikato District Council does not currently charge development contributions. It is important to note that councils such as South Waikato District Council have low or negative growth rates, which means that the level of Development Contributions that they could collect is low and not likely to make a significant impact on the overall financial situation of the council. Regional authorities cannot charge development contributions but can charge financial contributions under the RMA.

While not affecting Council's Development Contributions Policy, changes in legislation now mean that councils can only charge development contributions to help fund:

- network infrastructure - the provision of roads and other transport, water, wastewater, and stormwater collection and management;
- community infrastructure - the provision of the following assets if we own and operate them:
- community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;
- play equipment that is located on a neighbourhood reserve;
- toilets for use by the public.
- reserves.

This proposed Development Contributions Policy (as with the current policy) will cover only the provision of network infrastructure (transport, water, wastewater and stormwater). Other community infrastructure activities may be considered during subsequent revisions.

Issues

Development Contributions help fund growth

Council's current Development Contributions Policy came into force on 1 July 2015 (although they have been used by Council as a funding tool since 2004). It affects most people and companies developing new residential, commercial or industrial land and buildings. The Development

¹ LGA02 section 204 specifically prohibits this

² LGA02 section 200

Contributions Policy ensures that those who create the need for this infrastructure and directly benefit from Council providing infrastructure capacity are those who pay for it. Development Contributions are paid on any subdivision and non-residential development that generates additional demand on infrastructure services as calculated under the Development Contributions Policy. This includes extensions to existing commercial buildings which create additional floor space, as well as new developments, subdivisions, and houses.

When Development Contribution can be charged

There are four stages where Council may require that a Development Contribution is paid:

- When a subdivision or land use consent is approved
- Where a certificate of acceptance is issued under the Building Act 2004
- When a Code of Compliance Certificate is issued for a building consent
- When authorisation is given for a network connection to a service such as water or wastewater

Special Circumstances

Some development may place demand on Council's infrastructure that is greater or lesser than that taken into account when the methodology of the Development Contributions Policy was devised. In these cases the Development Contributions Policy makes provision for Council will undertake specific assessments, and may enter into individual arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development.

Catchment areas

The catchment areas are the three electoral wards. The LGA allows Council to group together certain developments by geographic area or categories of land use however grouping across the whole district is to be avoided where practical. Council has provided direction that Ward catchments are appropriate. This will be a change to the approach taken under the current Development Contributions Policy where roading development contributions are charged on a district basis.

Analysis

Options considered

Development of the draft DC Policy

The contents of the draft Development Contribution Policy have been developed with the Council through a series of meetings and workshops in conjunction with the draft LTP - the Council has:

- given consideration to community views, preferences and priorities including through consideration of special assessment applications
- considered strategic issues and opportunities facing the district
- considered and outlined its financial and infrastructure strategies
- considered the direction for each of the Council's LTP activities through the activity and asset planning process
- identified its levels of service, projects and programmes

Analysis of preferred option

At this stage in the Long Term Plan project, any significant changes to the Development Contribution Policy would also trigger a review of the Long Term Plan budgets, Fees and Charges and the Consultation Document.

Should Council desire any further changes to its funding structure it is noted that these can be considered as part of the consultation process if raised by the community and as part of ongoing

work either for the next Long Term Plan in 2021, or an amendment to the Long Term Plan at an earlier date.

Legal and statutory requirements

Section 106 Policy on development contributions or financial contributions

- (1) *In this section, financial contributions has the meaning given to it by section 108(9) of the Resource Management Act 1991.*
- (2) *A policy adopted under [section 102(1)] must, in relation to the purposes for which development contributions or financial contributions may be required,—*
 - (a) *summarise and explain the [total cost of capital expenditure] identified in the long-term ... plan [, or identified under clause 1(2) of Schedule 13] that the local authority expects to incur to meet the increased demand for community facilities resulting from growth; and*
 - (b) *state the proportion of that [total cost of capital expenditure] that will be funded by—*
 - (i) *development contributions;*
 - (ii) *financial contributions;*
 - (iii) *other sources of funding; and*
 - (c) *explain, in terms of the matters required to be considered under section 101(3), why the local authority has determined to use these funding sources to meet the expected [total cost of capital expenditure] referred to in paragraph (a); and*
 - (d) *identify separately each activity or group of activities for which a development contribution or a financial contribution will be required and, in relation to each activity or group of activities, specify the total amount of funding to be sought by development contributions or financial contributions; and*
 - (e) *if development contributions will be required, comply with the requirements set out in [sections 201 to 202A]-201 to 202A]; and*
 - (f) *if financial contributions will be required, summarise the provisions that relate to financial contributions in the district plan or regional plan prepared under the Resource Management Act 1991.*
- (2A) *This section does not prevent a local authority from calculating development contributions over the capacity life of assets or groups of assets for which development contributions are required, so long as—*
 - (a) *the assets that have a capacity life extending beyond the period covered by the territorial authority's long-term plan are identified in the development contributions policy; and*
 - (b) *development contributions per unit of demand do not exceed the maximum amount allowed by section 203.]*
- (2B) *Subject to subsection (2C), a development contribution provided for in a development contributions policy may be increased under the authority of this subsection without consultation, formality, or a review of the development contributions policy.]*
- (2C) *A development contribution may be increased under subsection (2B) only if—*
 - (a) *the increase does not exceed the result of multiplying together—*
 - (i) *the rate of increase (if any), in the Producers Price Index Outputs for Construction provided by Statistics New Zealand since the development contribution was last set or increased; and*

If Council wishes to change the Development Contributions Policy it will be altering a fundamental policy of Council that could have financial implications for Council in the draft LTP.

Any changes to the use of Development Contributions to fund growth will require flow on amendments to the draft LTP and Consultation Document (where under legislation Council will need to highlight a change to its funding policy).

The issue of development contributions is significant and has implications for Council's financial sustainability, the affordability of rates and costs for the development community.

It is proposed to undertake consultation in accordance with the section 82 principles of consultation (providing information, allowing affected people to present feedback to Council, being clear on the purpose of the consultation/scope of decisions to be made, Council having an open mind/giving due consideration to views, and providing clear records of decisions).

It is proposed to consult on the development contributions policy alongside the Long-Term Plan consultation document and other documents such as the fees and charges.

Where Council is required to consult in accordance with, or using a process or a manner that gives effect to, the requirements of section 82 it must make the following publicly available:

- the proposal and the reasons for the proposal; and
- an analysis of the reasonably practicable options, including the proposal, identified under section 77(1); and
- if a plan or policy or similar document is proposed to be adopted, a draft of the proposed plan, policy, or other document; and
- if a plan or policy or similar document is proposed to be amended, details of the proposed changes to the plan, policy, or other document.

Under section 77(1) of the LGA Council must, in the course of the decision-making process seek to identify all reasonably practicable options, assess the options in terms of their advantages and disadvantages.

The 'statement of proposal' seeks to address these requirements by setting out the proposal and reasons for development contributions and a discussion of the possible options Council has available. The full draft development contributions policy will also be made publicly available at Council offices, libraries and website.

Consent issues

Development contributions are triggered by Council consent processes. There are no other consent issues.

Timeframes

The draft Long Term Plan 2018-28 budgets (specifically the revenue from development contributions) has been forecast based on draft policy.

Timeframes

Process	Date
Development contribution approved for consultation	February 2018
Consultation	28 March – 29 April 2018
LTP hearing (including development contributions)	16 May 2018 (17 May if required)
Council adopt final development contributions	27 June 2018
New Development Contributions Policy applies	1 July 2018

Contribution to Community Outcomes

Consultation and the development of the fees and charges contribute to the following outcomes:

- 2.a) Our community/iwi will be informed and have the opportunity to comment on significant issues
- 2.c) Council's decision making will be sound, visionary, and consider the different needs of our community/iwi

Contribution to Community Outcomes

The development contributions policy contributes to the following community outcomes:

- 1.c) Council will encourage growth and prosperity to ensure the district is an attractive place to raise a family
- 4.a) Council plans will be flexible, to accommodate well planned, sustainable growth
- 4.c) Council will provide essential infrastructure to meet the needs of our community now and in the future
- 4.d) Systems will exist to provide sustainable clean water for our community/iwi
- 4.e) Council will contribute to a safe and efficient transport network

Financial Impact

i. Cost

The costs of the administering, reviewing and consulting on the Development Contributions Policy are covered through existing Long Term Plan budgets.

ii. Funding Source

Not applicable.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Niall Baker Acting Senior Policy Planner	
Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

Delegations - Hauraki District Council - Warranted and Statutory

Trim No.: 1955752

Executive Summary

Under the Local Government Act 2002, Council may delegate its statutory powers and its functions to Council Officers.

Following the last review of the delegations in October, the Audit and Risk Committee sought further assurances on the level of delegation given to Hauraki District Council staff. This report seeks to address those issues.

Recommendation

That:

1. The information be received.
2. The Council approve the amendments to the warrants of appointment delegations.

Content

Background

The Local Government Act 2002

Section 48 of the Local Government Act 2002 (LGA) provides that delegations must be carried out in accordance with Part 1 of Schedule 7 of the LGA. Clause 32(1) of Part 1 to Schedule 7 of the LGA provides that, for the purposes of efficiency and effectiveness in the conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, or member or officer of the local authority any of its responsibilities, duties, or powers excepting the powers specified under paragraphs (a)-(f) of that sub-clause.

These delegated powers fall broadly in to three categories:

- Financial
- Warranted powers
- Statutory

Issues

Delegations Policy

The Policy focuses on two policy issues:

- Efficient and effective decision making
- Managing risk

Amendments made to Delegations Policy and Register 2017 were reported to the October Committee and subsequent Council meeting, these included:

- Committee and Hearings Commission delegations.
- Financial delegations - updated as per details supplied from HR on staffing changes.
- Warrant and Statutory - Keys amended to reflect staff tier levels and position titles updated/added.
- Statutory delegations – reviewed alongside legislative compliance checklist.

The Audit and Risk Committee sought further assurances at the October meeting on the level of delegation given to Hauraki District Council staff.

Staff propose restricting the delegations to Hauraki District Council staff by specifying that the delegations can only be exercised in accordance with the service level agreement between Council and Hauraki District Council. An extract from the delegations register of the proposed amendments are shown below and the shared services agreement is attached to this report.

Staff also note that functions relating to the Forrest and Rural Fires Act 1977 should also have been deleted from the warranted powers of staff as this function has passed to FENZ. This Act had previously been removed from the legislative delegations.

Warrants of Appointment delegations

These are delegations of powers and responsibilities for warranted powers exercised on behalf of Council. The Council has delegated to the Chief Executive Officer the ability to warrant Council staff in accordance with the Delegations Policy and to update/amend warranted appointments below from time to time on this basis.

Key to position titles/department groups	
Eteam	
GMCD	Group Manager Community Development
GMSD	Group Manager Service Delivery
Third tier	
AMSP	Asset Manager Strategy & Policy
BCM	Building Control Manager
CSM	Customer Services Manager
DP	District Planner
KCM	Kaimai Consultants Manager
KVSM	Kaimai Valley Services Manager
HSQM	Health & Safety/Quality Manager
Fourth tier	
ACM	Animal Control Manger
BCTL	Building Control Team Leader
CSS	Customer Services Supervisor
PROM	Parks & Reserves Operations Manager
TLC	Team Leader Contracts
TLP	Team Leader Projects
TLRC	Team Leader Resource Consents
WOM	Water Operations Manager
WWOM	Waste Water Operations Manager
WM	Works Manager
Fifth tier (inclusive contractors)	
ACO	Animal Control Officer

APMO	Assets Project Management Officer (fixed term)
BCompO	Building Compliance Officer
BCO	Building Control Officer (inclusive senior)
CFP	Community Facilities Planner
COP	Coordinator Operations & Projects
CP	Consent Planner (inclusive of graduate)
CSA	Customer Services Advisor (inclusive of senior)
EA	Engineering Administrator
EHO	Environmental Health Officer
EOR	Engineering Officer - Roading
EPP	Environmental Policy Planner
HSF	Health & Safety Facilitator
KC	Kaimai Consultants (Engineers, Surveyors, Property Services Officers)
KCO	Kaimai Consultants Officer
KVSW	Kaimai Valley Services Workers
KVSTA	Kaimai Valley Services Technical Advisor
MO	Monitoring Officer
MALO	Monitoring & Alcohol Licensing Officer
MEO	Monitoring & Engineering Officer
PMS	Property Maintenance Supervisor
PP	Policy Planner (inclusive of graduate)
RAE	Roading Assets Engineer
<u>RTL</u>	<u>Reticulation Team Leader</u>
SCSR	Senior Contract Supervisor - Roading
SUEA	Senior Utilities Engineer - Assets
<u>WTL</u>	<u>Works Team Leader</u>
	Contractors:
CR	Contractor - Roading
EHOHDC	Environmental Health Officer Hauraki District Council Note: delegations can only be exercised in accordance with the current shared services agreement between MPDC and HDC
NCC	Noise Control Contractor
RSMHDC	Regulatory Services Manager Hauraki District Council Note: delegations can only be exercised in accordance with the current shared services agreement between MPDC and HDC
SSSWCM	Shared Services Solid Waste Contract Manager
ACSC	Animal Control Security Contractor

Health Act 1956		Eteam	Third tier	Fourth tier	Fifth tier
Environmental Health Officer pursuant to sections 23 and 28 of the Health Act 1956	<p>Power to carry out all of the functions of an Enforcement officer pursuant to sections 23 and 28 of the Health Act 1956</p> <p><i>23 General powers and duties of local authorities in respect of public health</i></p> <p><i>Subject to the provisions of this Act, it shall be the duty of every local authority to improve, promote, and protect public health within its district, and for that purpose every local authority is hereby empowered and directed—</i></p> <p><i>(a) to appoint all such environmental health officers and other officers and servants as in its opinion are necessary for the proper discharge of its duties under this Act:</i></p> <p><i>(b) to cause inspection of its district to be regularly made for the purpose of ascertaining if any nuisances, or any conditions likely to be injurious to health or offensive, exist in the district:</i></p> <p><i>(c) if satisfied that any nuisance, or any condition likely to be injurious to health or offensive, exists in the district, to cause all proper steps to be taken to secure the abatement of the nuisance or the removal of the condition:</i></p> <p><i>(d) subject to the direction of the Director-General, to enforce within its district the provisions of all regulations under this Act for the time being in force in that district:</i></p> <p><i>(e) to make bylaws under and for the purposes of this Act or any other Act authorising the making of bylaws for the protection of public health:</i></p> <p><i>(f) to furnish from time to time to the medical officer of health such reports as to diseases, drinking water, and sanitary conditions within its district as the Director-General or the medical officer of health may require.</i></p> <p><i>Section 28 relates to the technical aspects of appointing a health officer.</i></p>	GMCD	DP		<p>EHO</p> <p>MALO</p> <p>MEO</p> <p>MO</p> <p>RSMHDC*</p> <p>EHODHC*</p> <p><u>*Note: delegation s can only be exercised in accordance with the current shared services agreement between MPDC and HDC</u></p>

Health Act 1956		Eteam	Third tier	Fourth tier	Fifth tier
	<p>Power to, without further warrant, take a person failing to comply with an inform or neglected persons order and place them in the custody of the Medical Superintendent or manager or other person in charge of such hospital or institution</p> <p><i>126 Infirm and neglected persons</i></p> <p><i>(1) If any aged, infirm, incurable, or destitute person is found to be living in insanitary conditions or without proper care or attention, a District Court may, on the application of the medical officer of health, make an order for the committal of that person to any appropriate hospital or institution available for the reception of such persons.</i></p> <p><i>(2) An order under this section may be made in respect of any such person who habitually lives in any such conditions as aforesaid, notwithstanding that at the time of the application or of the order he may have been temporarily removed from such conditions or such conditions may have been temporarily remedied.</i></p> <p><i>(3) If any person in respect of whom an order is made under this section refuses to comply with that order, any environmental health officer under this Act or any constable may, without further warrant than this section, take that person and place him in the custody of the Medical Superintendent or manager or other person in charge of such hospital or institution as aforesaid, who shall have authority to detain him pursuant to the order of committal.</i></p>				
	<p>Power to abate nuisance without notice pursuant to section 34 of the Health Act 1956</p> <p><i>34 Power to abate nuisance without notice</i></p> <p><i>(1) Where by reason of the existence of a nuisance on any premises within the district of any local authority immediate action for the abatement of the nuisance is necessary in the opinion of the engineer or environmental health officer of the local authority, the engineer or environmental health officer, with such assistants as may be necessary, and without notice to the occupier, may enter on the premises and abate the nuisance.</i></p> <p><i>(2) All expenses incurred in the abatement of a nuisance under this section shall be recoverable from the owner or the occupier of the premises in respect of which they are incurred, as a debt due to the local authority.</i></p>				

Health Act 1956		Eteam	Third tier	Fourth tier	Fifth tier
	<p>Power to disinfect premises and destroy infected articles pursuant to sections 81 and 83 of the Health Act 1956</p> <p><i>81 Power of local authority to disinfect premises</i></p> <p><i>Where the local authority is of opinion that the cleansing or disinfection of any premises or of any article is necessary for preventing the spread or limiting or eradicating the infection of any infectious disease, the local authority may authorise any environmental health officer, with or without assistants, to enter on the premises and to carry out such cleansing and disinfection.</i></p> <p><i>83 Infected articles may be destroyed</i></p> <p><i>Where any article dealt with by a local authority or any environmental health officer under section 81 or section 82 is of such a nature that it cannot be effectively disinfected, the local authority or environmental health officer may cause the article to be destroyed.</i></p>				
	<p>Power to require a person to state their name and address pursuant to section 134 of the Health Act 1956</p>				
Authorised Officer pursuant to sections 42, 45 and 128 of the Health Act 1956	<p>Power to carry out the functions of an Authorised Officer to require repairs, issue and determine a closing order pursuant to sections 42 and 45 of the Health Act 1956</p> <p><i>A Local authority may require repairs and issue closing order for any dwellinghouse within that district is, by reason of its situation or insanitary condition, likely to cause injury to the health of any persons therein, or otherwise unfit for human habitation.</i></p>				

Health Act 1956		Eteam	Third tier	Fourth tier	Fifth tier
	<p>Power to at all reasonable times enter any dwelling house, building, land, ship, or other premises and inspect the same, and may execute thereon any works authorised under or pursuant the Health Act 1956 pursuant to section 128 of the Health Act 1956</p> <p><u>These powers shall only be exercised with the approval of the CEO or a group manager.</u></p> <p><i>128 Power of entry and inspection</i></p> <p><i>For the purposes of this Act any medical officer of health, or any health protection officer, or any other person authorised in writing in that behalf by the medical officer of health or by any local authority, may at all reasonable times enter any dwellinghouse, building, land, ship, or other premises and inspect the same, and may execute thereon any works authorised under or pursuant to this Act.</i></p>				

Sale and Supply of Alcohol Act 2012		Eteam	Third tier	Fourth tier	Fifth tier
Inspector pursuant to section 197 of the Sale and Supply of Alcohol Act 2012 with all of the functions, powers, and duties conferred on them by or under the Sale and Supply of Alcohol Act 2012	<p>Power to monitor licensees' compliance with the Sale and Supply of Alcohol Act 2012</p> <p>Power to issue infringement notices pursuant to section 262 of the Sale and Supply of Alcohol Act 2012</p> <p><i>262 Infringement notices</i></p> <p><i>(1) If a constable observes a person committing an infringement offence, or an inspector observes a person committing a specified infringement offence, or he or she has reasonable cause to believe that such an offence is being or has been committed by that person, an infringement notice in respect of that offence may be served on that person.</i></p> <p><i>(2) Any constable or inspector (not necessarily the person who issued the notice) may deliver the infringement notice (or a copy of it) to the person alleged to have committed an infringement offence personally or by post addressed to that person's last known place of residence.</i></p>		DP		<p>MALO</p> <p>MEO</p> <p>MO</p> <p>RSMHDC*</p> <p>EHOHDC*</p> <p><u>*Note: delegations can only be exercised in accordance with the current shared services agreement between MPDC and HDC</u></p>

	<p>Power to enter licensed premises pursuant to section 267 of the Sale and Supply of Alcohol Act 2012</p> <p><i>267 Powers of entry on licensed premises</i></p> <p><i>(1) A constable or an inspector may at any reasonable time enter and inspect any licensed premises, or any part of any licensed premises, to ascertain whether the licensee is complying with the provisions of this Act and the conditions of the licence.</i></p> <p><i>(2) A constable or an inspector may at any time enter and inspect any licensed premises when he or she has reasonable grounds to believe that any offence against this Act is being committed on those licensed premises.</i></p> <p><i>(3) For the purposes of exercising the power conferred by this section, a constable or an inspector may—</i></p> <p><i>(a) require the production of any licence, or any book, notice, record, list, or other document that is required by this Act to be kept, and examine and make copies of it; and</i></p> <p><i>(b) require the licensee or manager to provide any information or assistance reasonably required by a constable or an inspector relating to any matter within the duties of the licensee or manager.</i></p>				
Inspector pursuant to section 197 of the Sale and Supply of Alcohol Act 2012 with all of the functions, powers, and duties conferred on them by or under the Sale and Supply of Alcohol Act 2012	<p>Power to seize samples of alcohol from any licensed premises pursuant to section 268 of the Sale and Supply of Alcohol Act 2012</p> <p><i>268 Power to seize samples of alcohol</i></p> <p><i>(1) This section applies where a constable or inspector has entered and is conducting an inspection of any licensed premises under section 267.</i></p> <p><i>(2) If a constable or an inspector has reasonable cause to suspect that any person on the premises has committed, is committing, or is attempting to commit any offence against this Act, he or she may seize, without warrant, for the purpose of analysis, any liquid (including the container holding the liquid) in the possession of that person that is suspected of being alcohol.</i></p> <p>Power to give notice in writing give to the appropriate territorial authority details of the respects in which a building or site work is believed not to comply with the Sale and Supply of Alcohol Act 2012 pursuant to section 279 of the Sale and Supply of Alcohol Act 2012</p>	GMCD	DP		<p>MALO MEO MO</p> <p>RSMHDC* EHOHDC*</p> <p><u>*Note: delegations can only be exercised in accordance with the current shared services agreement between MPDC and HDC</u></p>

	Power to apply to the licensing authority for the Variation, suspension, or cancellation of licences other than special licences pursuant to section 280 of the Sale and Supply of Alcohol Act 2012				
Chief Licensing Inspector pursuant to section 197 of the Sale and Supply of Alcohol Act 2012 with all of the functions, powers, and duties conferred on them by or under the Sale and Supply of Alcohol Act 2012	<p>Power to seize samples of alcohol from any licensed premises pursuant to section 268 of the Sale and Supply of Alcohol Act 2012</p> <p>Power to give notice in writing give to the appropriate territorial authority details of the respects in which a building or site work is believed not to comply with the Sale and Supply of Alcohol Act 2012 pursuant to section 279 of the Sale and Supply of Alcohol Act 2012</p> <p>Power to apply to the licensing authority for the Variation, suspension, or cancellation of licences other than special licences pursuant to section 280 of the Sale and Supply of Alcohol Act 2012</p>				EHO
Secretary of MPDC licensing committee pursuant to section 198 of the Sale and Supply of Alcohol Act 2012	Power to carry out all of the functions and duties of a licensing committee secretary pursuant to section 198 of the Sale and Supply of Alcohol Act 2012	GMCD or in absence of above delegate to GMBS or GMCD			

Hazardous Substances and New Organisms Act 1996		Eteam	Third tier	Fourth tier	Fifth tier
Enforcement Officer and District Hazardous Substances Officer pursuant to sections 98 and 100 of the Hazardous Substances and New Organisms Act 1996	<p>Power to undertake the functions of a Enforcement Officer and District Hazardous Substances Officer pursuant to the Hazardous Substances and New Organisms Act 1996</p> <p><i>The purpose of this Act is to protect the environment, and the health and safety of people and communities, by preventing or managing the adverse effects of hazardous substances and new organisms.</i></p>	GMCD	DP		<p>EHO MALO MEO MO</p> <p>RSMHDC* EHOHDC* <u>Note: delegation s can only be exercised in accordance with the current shared services agreement between MPDC and HDC</u></p>

Forest and Rural Fires Act 1977	Eteam	Third tier	Fourth tier	Fifth tier
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Principle Rural Fire Officer pursuant to section 13 of the Forest and Rural Fires Act 1977	Power to carry out all of the functions and duties of a Principle Rural Fire Officer pursuant to section 36 of the Forest and Rural Fires Act 1977	-	-	-	EOR
	36 Powers of Principal Fire Officers or Rural Fire Officers at fires For the purposes of fire control upon the outbreak of fire the Principal Fire Officer or Rural Fire Office may exercise wide ranging powers to control and extinguish fire, including entry of land or dwelling on fire, removal of vegetation, direction of fire service personnel and volunteers, shutting off of water mains, streets gas or electricity.				
	Power to direct people regarding the maintenance of apparatus for cutting timber pursuant to section 33 of the Forest and Rural Fires Act 1977 The Principal Rural Fire Officer of any district may, from time to time, by notice in writing, require that any person who is felling trees for any commercial or industrial purpose or who is producing timber in a sawmill in that district shall provide and maintain in effective working order such apparatus and observe such other requirements as may be specified by the Principal Rural Fire Officer for the purpose of fire control among the standing trees or the debris of the tree felling operations or the refuse from the sawmilling operations.				
Rural Fire Officer pursuant to section 13 of the Forest and Rural Fires Act 1977	Power to carry out all of the functions and duties of a Rural Fire Officer pursuant to section 36 of the Forest and Rural Fires Act 1977	-	-	-	SCSR -

Analysis

Options considered

The Committee has the option of recommending to Council further amendments to the delegations.

Legal and statutory requirements

Details of the legislative framework have been set out above in this report.

Impact on Significance and Engagement Policy

This matter is not considered significant.

Timeframes

There are no timeframes, the delegations are expected to be updated as and when legislation is introduced or amended by central government.

Financial Impact

There are no funding costs/impacts of this process.

Attachments

- A. Shared Services Agreement between MPDC and Hauraki District Council for the delivery of Environmental Health Services

Signatories

Author(s)	Michelle Staines-Hawthorne Corporate Strategy Manager	
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Approved by	Ally van Kuijk District Planner	
	Dennis Bellamy Group Manager Community Development	

District Boundary Signs

Trim No.: 1958314

Executive Summary

The Bulk Fund made provision for the renewal of the eight existing welcome/farewell signs on the district boundaries. Funding of \$15,000 was carried forward to the 2017/18 year and complimented by additional funding of \$1,400 this year bringing the total funding allocation to \$16,400.

As part of the project consideration Council asked that the earlier design options be brought back to Council for review. Council had not previously finalised a preferred design.

This report intends to provide several initial potential options for sign design to enable Council to share its preferred design style which will then be developed ahead of final approval

Recommendation

That:

1. The report be received and indicative sign design options be discussed
2. That Council indicates a preferred design style
3. That officers develop the preferred design style into a final draft sign and bring back the sign for final consideration

Content

Background

There are eight existing welcome/farewell signs located on road entrances into the district. The location of these signs are located on the attached map. The existing signs are in very poor condition graphically and the design is now dated. Council has previously resolved to replace the signs.

Council has asked to be given the opportunity to comment on perspective design options so the earlier concepts developed in 2016 are attached to this report for consideration.

This report has been compiled by Chris Rutherford of Xyst Consultants who has been engaged to provide project support services to Council staff.

Issues

Entrance signs essentially provide an opportunity to define and market our district to visitors entering the district by road. These signs are not located close to major town entrances and serve a different purpose to town entrance signs.

The location of the signs on major roads generally means that vehicles will be travelling at some speed past the signs so the message on the sign needs to be clear and concise.

Analysis

Options considered

Council is asked to review and consider the indicative sign designs attached to this report to give direction to officers of a style preference ahead of a refined design being developed for final approval.

To assist in the discussion a selection of other district/city welcome/farewell signs are attached to this report for review.

Legal and statutory requirements

A resource consent is not likely to be required if the existing signs are replaced by signs of a similar size and in the current locations. In the event that the new signs are significantly larger than the existing signs and/or the location of the signs are modified then a consent may be necessary.

Should a resource consent be necessary all eight signs could be dealt with as part of a single application.

Consistency with the Long Term Plan / Annual Plan

This project was considered as one of a number of bulk fund projects.

Communication, consultation and decision making processes

This report intends to both alert Council to the intention to replace the existing welcome/farewell signs and to enable discussion about preferred design to occur.

Consent issues

A building consent is not required if the sign is engineer-designed, has an area of less than 6m² and has an above ground level height of less than 3 metres.

The New Zealand Transport Agency's Journey Manager advised that NZTA would wish to be consulted further when the preferred design has been finalised and that agreement to a "like- with-like" sign is likely to be supported.

Timeframes

Officers intend to report back to Council prior to the end of February 2018 with a preferred sign design to enable renewal to occur in late summer 2018.

Contribution to Community Outcomes

The project is considered to be in alignment with Council's proposed new vision as "The Place of Choice".

Financial Impact

i. Cost

Final costs will be dependent upon size of sign, design style and costs to create sign and mount.

ii. Funding Source

Funding of \$15,000 for sign renewal has been carried forward from a previous bulk fund allocation with an additional sum of \$1,400 added from the bulk fund 2017/18 bringing the total allocation to \$16,400.

Attachments

- A. Current sign locations
- B. Design concepts
- C. Examples of District boundary signs

Signatories

Author(s)	Mark Naude Parks and Facilities Planner	
Approved by	Susanne Kampshof Asset Manager Strategy and Policy	
	Manaia Te Wiata Group Manager Business Support	

Headon Stadium: Building Maintenance Issues and Options

Trim No.: 1958717

Executive Summary

The Corporate and Operations Committee received a report on 25 October 2017 relating to deferred maintenance of Headon Stadium. The report outlined the intention to investigate the likely requirement to modernise some aspects of the building as a consequence to undertaking maintenance works that require a building consent.

CoveKinloch Building Surveyors were commissioned to prepare a report that sets out the likely areas of compliance that will be required by the Building Act as deferred maintenance is commissioned. This report intends to identify the indicative deferred maintenance costs to enable Council to make a decision with proceeding with a procurement process to complete the works in 2018 if it wishes or alternatively to phase the work over two stages.

Recommendation

That:

1. **The report be received**
2. **That Council considers the cost implications of commissioning the deferred maintenance**
3. **That Council provides direction to officers on the extent of the maintenance they wish to be undertaken in 2018**

Content

Background

Council is aware of the condition of Headon Stadium as outlined in earlier reports.

Compliance with the Building Code will be triggered by certain maintenance actions. Officers have been working with CoveKinloch Building Surveyors to identify the extent of the building renewal works to be undertaken and the likely impact of the works in terms of compliance with the Building Code. This work will enable Council to be fully aware of the financial implications ahead of commencement. This report has been prepared by Chris Rutherford of Xyst Consultants who has been engaged to provide project management support to Council. The report intends to identify the indicative deferred maintenance costs to enable Council to make a decision with proceeding with a procurement process to complete the works in 2018 if it wishes or alternatively to phase the work over two stages.

The Matamata Futures Trust are encouraging Council to focus its resources on a new purpose built indoor recreation facility ahead of investing monies in the deferred maintenance of Headon Stadium. This report is not intending to discuss the merits of a new facility which is the subject of a separate report.

Issues

Earlier reports have identified significant deferred maintenance of the stadium. When implementing required maintenance actions the Building Code will require Council to address a number of issues which have cost implications.

Analysis

Options considered

Attached to this report is the CoveKinloch building feasibility report which sets out the implications of building code compliance and the overall estimated building renewal costs which have been provided by quantity surveyor ECS Group.

Legal and statutory requirements

The Building Act 2004 is the statute that regulates building work. Associated with the Act are a number of Regulations, including the New Zealand Building Code, and regulations regarding Earthquake-prone Buildings, Asbestos etc.

Headon Stadium complied with the regulatory requirements of its original construction era understood to be 1974. Building regulations have changed over the years.

If an existing building is altered and the particular alterations trigger the requirement for building consent, the Building Act requires that the altered building must comply, as near as reasonably practicable, with the provisions of the current Building Code that relate to:

- Means of escape from fire
- Access and facilities for people with disabilities.

If the building complied with the other provisions of the Building Code before the work began, it must continue to comply with those provisions. If the building did not comply with the Building Code before the alterations, it must continue to at least comply to the same extent as it did before the work began (i.e. alterations must not reduce the historic level of compliance).

Council as a responsible building owner wishes to comply with the modern standards and needs to understand the likely costs of compliance ahead of instigating the deferred maintenance.

Consistency with the Long Term Plan / Annual Plan

The deferred maintenance of the stadium has been considered by Council although no formal funding allocation has been made to date. The funding requirement is likely to be in the region of \$1.5 million to undertake maintenance and upgrades to meeting the building code.

In August 2017 Council made the strategic decision to retain Headon Stadium as an important community asset for Matamata for at least the next 20 years. Subsequently an allocation of \$1.5 million has been included in the draft LTP to fund the maintenance and renewal work of Headon Stadium.

Impact on Significance and Engagement Policy

Council's Significance and Engagement Policy 2014 states that Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- there is a legal requirement to engage with the community
- the level of financial consequences of the proposal or decision

- whether the proposal or decision will affect a large portion of the community
- the likely impact on present and future interests of the community
- recognising Māori culture values and their relationship to land and water
- whether the proposal affects the level of service of a Significant Activity
- whether community interest is high
- whether the likely consequences are controversial
- whether community views are already known, including the community's preferences about the form of engagement
- the form of engagement used in the past for similar proposals and decisions.

Based on the criteria above, a potential upgrade is likely to have a degree of significance and require an appropriate level of consultation. There has already been some consultation with regular facility users. Consultation as part of the 2018-28 Long Term Plan process would address the need for wider consultation.

Communication, consultation and decision making processes

CoveKinloch have undertaken initial consultation with several of the main facility users to discuss how the deferred maintenance is impacting on their usage and also to identify the enhancements that would most assist their long term use.

In the event that Council decides to proceed with the renewal of the building it is intended that officers will undertake more detailed consultation with both the current users of the stadium and the sportsfields. The intention will be to ensure that all known concerns are recorded so they can be considered and where possible addressed in the planning work ahead of commissioning the renewal work on the stadium.

Officers are aware of the need to future proof the building as the users may well change over the next few years in the event that a new stadium is developed in Matamata.

Given the degree of funding required and the likely level of community interest, consultation as part of the 2018-28 Long Term Plan process is considered to be appropriate.

Consent issues

It is most likely that building consent will be required for a number of aspects of the renewal work. Ideally Council will develop a renewal plan for the building which will be considered as a single application ahead of commencement of the works.

Timeframes

Realistically it is likely from user consultation that additional storage and potential reconfiguration of some parts of the interior of the building will be desirable. A project manager will need to be appointed ahead of architectural drawings being prepared and a building consent applied. Following finalising of the plans a contractor will be procured to undertake the renewal works.

The initial consultation and development of architectural plans will likely take 6 months following which the renewal works could commenced which are estimated to take between 6 and 10 months to complete depending on the project plan that the successful contractor provides.

Contribution to Community Outcomes

The following Community Outcomes as identified in the 2015-25 Long Term Plan are potentially applicable to Headon Stadium:

- 2c) Council's decision making will be sound, visionary, and consider the different needs of our community/iwi;
- 3a) Council's reserves and facilities will be safe, well maintained and accessible to encourage people to use them;
- 3b) People will be well informed of the districts resources, equipment, and facilities.

Financial Impact

i. Cost

CoveKinloch have provided an estimate of cost to undertake the project over two phases at a total cost of \$1,197,103. This excludes professional fees for architects, engineers and a project manager which indicatively should be assumed to cost approximately \$120,000.

In addition officers and CoveKinloch are aware that in undertaking significant renewal works there will be opportunities to further strengthen the building to improve the earthquake evaluation which currently is assessed at 51%.

Council could consider undertaking just the most urgent maintenance and phasing the renewal works over two phases.

The Phase 1 costs and the renewal works suggested for completion are recorded in the attached reports.

The preferred approach by officers and CoveKinloch is to undertake a total single project which will see the existing stadium transformed into an attractive, usable single court facility suitable for ongoing community use for the next 20 to 50 years. There are likely to be some savings made by a single project rather than a two phased approach.

It is recommended that Council budget \$1.5m for the renewal works to include professional fees and incorporating potential earthquake strengthening into any potential redesign.

To progress with the detailed design and procurement as soon as practically, \$50,000 is sought in current financial year.

ii. Funding Source

There is no specific budget for the funding for the identified work.

In August 2017 Council made the strategic decision to retain Headon Stadium. Subsequently an allocation of \$1.5 million has been included in the draft LTP to fund the maintenance and renewal work of Headon Stadium in 2018/19. It is also sought that the additional funding of \$50,000 this financial year be approved and the funding source identified.

Attachments

- A. Headon Stadium Building Report

Signatories

Author(s)	Mark Naude Parks and Facilities Planner	
Approved by	Susanne Kampshof Asset Manager Strategy and Policy	
	Manaia Te Wiata Group Manager Business Support	

Plan Change 47 - Plan Your Town: Appeal

Trim No.: 1958392

Executive Summary

This report provides an update to Council on the background and status of the Plan Change 47 appeal, and seeks delegations from the Council to attend mediation and, if necessary, court proceedings to settle the appeal.

Recommendation

That:

1. The report be received, and
2. Council delegate full authority to the Group Manager Community Development and the District Planner to represent, participate and settle on behalf of Matamata-Piako District Council in mediation, alternative resolution and/or court proceedings on all matters in relation to the Proposed Plan Change 47 - Plan Your Town appeal.

Content

Background

Plan Change 47 reviewed the parts of the District Plan relating to the planning controls and the extent of zoning for Matamata, Morrinsville and Te Aroha. Council sought to ensure that the right amount of land is zoned for housing or to accommodate new business or industrial activities.

Following a Note of Direction from the Chair of the Hearing Panel, the hearing of submissions for the Horrell Road Notice of Requirement and rezoning, and Kuranui Road rezoning will be deferred until early in 2018. Council will release its decision on these matters following the deferred hearing, if one is required.

Submissions and further submissions

The Council received 60 submissions and 11 further submissions on the plan change. A Council hearing was held on 20th and 21st May 2017.

Decision

Council retained the key aspects of the notified Plan Change but did make some changes following the hearing process. Detail on the decision is contained in the decision report which has previously been circulated to Council.

Calcutta Farms appeal and three section 274 Parties

The appeal period for Plan Change 47 ended on 26th October 2017 and an appeal was received from Calcutta Farms Limited on the following two topics:

- The decision not to apply residential zoning to the land that is shown as Proposed Residential Zone in Appendix A of the appellant's submission
- The decision not to apply a Future Residential Policy overlay to the land that is shown as Future Residential Policy Area in Appendix A of the appellant's submission.

Within the ten working day deadline of the notice of appeal to become a party to proceedings, as permitted by the RMA, three submitters have joined as section 274 parties in relation to the appeal. The appeal and the three notices of becoming a party to appeal proceedings are included as attachments:

- Submitter 12 (Inghams Enterprises (NZ) PTY Limited) – the submitter opposes the expansion of residential development sought by the Appellant because of reverse sensitivity concerns in relation to their Banks Road hatchery;
- Submitter 16 (Weatherley Bloodstock Limited and R.A and S Johnson) – the submitter doesn't want the Council hearing decision for a Future Residential Policy Area on their land to be prejudiced by the appeal;
- Submitter 37 (New Zealand Transport Agency) – the submitter opposes the residential rezoning and creation of a Future Residential Policy Area sought by the Appellant as the potential effects on the transport network have not been assessed.

Issues

Delegations

It is proposed that full authority be given to the Group Manager Community Development and the District Planner to represent, participate and settle on behalf of Matamata-Piako District Council in mediation, alternative resolution and/or court proceedings on all matters in relation to the Plan Change 47 appeal.

Delegated authority has in the past been granted by Council for the Group Manager Community Development, Corporate Strategy Manager and the District Planner to participate in mediation for District Plan Change appeals on behalf of Council (Plan Changes 48 and 43 and 44).

One or more councillors may also wish to volunteer to act alongside the Group Manager Community Development and the District Planner as a mediator for the Plan Change 47 appeal.

Analysis

Options considered

Council must participate in the appeal process as the Respondent and its only consideration will be how to manage the appeal in a manner that is consistent with the Resource Management Act 1991.

There are four options available to Council in response to resolving the appeal through mediation:

- i. Full Council is engaged,
- ii. Councillor representatives act on behalf of Council
- iii. Delegate authority to the Group Manager Community Development and the District Planner.
- iv. Delegate authority to the Group Manager Community Development and the District Planner to act alongside a Councillor representative.

Analysis of preferred option

The preferred option is for Council to delegate authority to the Group Manager Community Development and the District Planner. The scope of the appeal to Plan Change 47 is considered relatively minor, and relates to the extent of future zoning for one area of Matamata only. As such,

it is considered the most efficient use of time for the Group Manager Community Development and the District Planner to mediate the appeal on behalf of Council.

Legal and statutory requirements

Appeal processes

The Council has a statutory obligation to administer reviews of its Plan in accordance with the processes set out in the Resource Management Act 1991 and make decisions that are consistent with the Resource Management planning framework. The Council also has an obligation to participate in and assist the Environment Court in dealing with appeal proceedings.

Environment Court practise direction regarding mediations

The mediation process through the Environment Court is a widely used, effective means of dispute resolution. However, issues arise when Council or party representatives do not have full authority. This is particularly problematic when determining whether to settle at the conclusion of mediation. Invariably this leads to unnecessary delay and added cost and the Environment Court has indicated that it is essential that those attending on behalf of the Council are delegated to settle matters.

Impact on policy and bylaws

The Council has a statutory obligation to administer the review of its District Plan in accordance with the processes set out in the Resource Management Act 1991 and make decisions that are consistent with the Resource Management planning framework.

Consistency with the Long Term Plan / Annual Plan

The review of the District Plan is an obligation of Council under the Resource Management Act 1991 and is an activity identified and funded (included appeals) in the Long Term and Annual Plans.

Impact on Significance and Engagement Policy

This matter is not considered significant.

Communication, consultation and decision making processes

Council staff will shortly arrange a meeting with consultant planners and the other parties to progress the appeal.

Consent issues

There are no consent issues.

Timeframes

The parties will meet following the Council meeting to work through the matters of the appeal. Council has not yet received an Environment Court reporting date for when the outcome of negotiations between the parties must be reported back.

Financial Impact

i. Cost

If the appeal cannot be resolved through informal mediation and a hearing is held, the costs are difficult to quantify, although an estimation of costs supplied in 2013 relating to an appeal received for Plan Change 42 indicated the costs were likely to be in the region of \$80,000. This will cover barristers' fees, and expert evidence that will be required.

Because the administration of the District Plan is viewed by the Courts as a reasonably expected cost and a statutory obligation of the Council, the likelihood of recovering any costs against the Appellant or the 274 party is unlikely.

ii. Funding Source

Council budgets \$60,000 annually for any appeals that may arise from RMA processes. Any costs beyond that will need to be funded from the \$200,000 set aside for the District Plan review.

Attachments

- A. Plan Change 47 - Calcutta Farms notice of appeal
- B. Plan Change 47 appeal - section 274 notice: Inghams Enterprises
- C. Plan Change 47 Appeal - Weatherley and Johnson 274 Party to proceedings
- D. Plan Change 47 appeal - section 274 notice: NZ Transport Agency

Signatories

Author(s)	Mark Hamilton Environmental Policy Planner	
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Approved by	Dennis Bellamy Group Manager Community Development	
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Dog Control - Annual Report 2016/17

Trim No.: 1959857

Executive Summary

The Dog Control Act 1996 requires a territorial authority to report annually on its dog control operations.

The attached report includes all the information required under section 10A(2) of the Act for the 2016/17 financial year.

The report is recommended for adoption and to be publicly notified as required by the Act.

Recommendation

That:

1. The Annual Dog Control Report for 2016/17 be adopted and publicly notified.

Content

Background

Section 10A of the Dog Control Act 1996 requires a territorial authority to report annually on the administration of;

- a) its dog control policy adopted under section 10, and
- b) its dog control practices.

The Act sets out the information that must be included in the report and further requires the authority to give public notice of where the report can be obtained. The attached report includes all of the required information as well as other information about the animal control operation that may be of interest to the public. A copy of the report will be placed on Council's website and will be available at each office.

A copy of the report must also be sent to the secretary for Local Government within one month of it being adopted by Council.

Analysis

Options considered

1. That the report be adopted and publicly notified.
2. That the report be further considered or amended before being adopted and publicly notified.

Legal and statutory requirements

This report is required by section 10A of the Dog Control Act 1996

Impact on policy and bylaws

This report has no impact on any of Council's policies or bylaws.

Impact on Significance and Engagement Policy

This issue is not considered significant in terms of Council's significance Policy.

Communication, consultation and decision making processes

The Act requires public notice to be given of where the report can be viewed or obtained.

Financial Impact

i. Cost

This report has no financial impacts.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Dennis Bellamy Group Manager Community Development	
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Approved by	Dennis Bellamy Group Manager Community Development	
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Te Aroha Event Centre Project Update

Trim No.: 1954319

Executive Summary

The Te Aroha Event Centre Project was funded by Council and the Te Aroha Events Centre Charitable Trust (the Trust). The estimated project was \$4,500,000 with Council agreeing to fund \$2,000,000 and the Trust agreeing to fund the balance. The actual project cost was \$5,068,180. Council has contributed \$2,057,710. To date the Trust has contributed \$2,666,050. There is a further \$145,000 contribution pending from the Trust which takes their total contribution to \$2,811,050. This leaves an outstanding balance for the Trust of \$199,420. The Trust would like Council to consider waiving this outstanding balance.

Recommendation

That:

1. The report be received.
2. Council consider the Te Aroha Event Centre Trust proposal to waiver its remaining contribution to the Te Aroha Event Centre Project of \$199,420.

Content

Background

At the last Council Operations Committee meeting, a report on the Te Aroha Event Centre Charitable Trust (the Trust) was requested for Councils 13 December 2017 meeting to formally discuss the Te Aroha Event Centre Charitable Trust remaining contribution.

On the 14 November 2017, a letter (Attachment A) was received from the Te Aroha Event Centre Charitable Trust seeking Council's consideration of waiving the remaining balance owing on the Events Centre.

Issues

At a special Council meeting held 5 December 2010, Council agreed to fund \$2,000,000 towards the Te Aroha Event Centre project on the understanding that the Trust raised the balance of the funding required for the project which was estimated to be \$2,500,000, bringing the total project estimate to \$4,500,000.

The actual project cost was \$5,068,180 and as at 28 November 2017, the Trust have raised and contributed \$2,811,050 towards the Events Centre.

Te Aroha Event Centre Trust Contribution as at 28 November 2017:

Trust Contribution (Attachment B)	\$	2,666,050
Pending Trust Contribution	\$	80,000
Balance (due 20 October 2018)	\$	25,000
Inghams (due 1 March 2018 & 2019)	\$	40,000
Total Trust Contribution	\$	2,811,050

Balance as at 28 November 2017:

Total Project Costs	\$	5,068,180
Less Council Contribution	\$	2,057,710
Less Trust Contribution	\$	2,811,050
Total Outstanding	\$	199,420

The Te Aroha Event Centre Trust has continued to fundraise but is at a point where they feel they have exhausted fundraising possibilities. The Trust is asking Council to consider waiving the remaining outstanding balance of \$199,420. The Trust will continue to promote and support the Silver Fern Farms Event Centre and are very proud of the facility which is being well utilised by the community.

Legal and statutory requirements

This project is subject to a number of legal and statutory requirements. The matter of funding has been subject to Official Information Requests.

Consistency with the Long Term Plan / Annual Plan

The Te Aroha Events Centre project was outlined in and consulted on as part of Council's Annual Planning and Long Term Planning process.

Communication, consultation and decision making processes

Communication, consultation and decision making was ongoing throughout the course of the project. Further information is available on Council's website including formal reports to Council. There are individual members of the community that continue to signal an interest in this project.

Consent issues

There are no consent issues in relation to this report.

Timeframes

The Silver Fern Farms Event Centre was completed September 2016. It has now had a full year of operation and is being well used by the community.

Contribution to Community Outcomes

The Silver Fern Farms Event Centre is a community facility located in a public space that is well used by the local community.

Financial Impact

In October 2016, Council considered the project financial risk and made provision for the Te Aroha Event Centre. Therefore, if the Trust's request is approved by Council, it can be accommodated within existing budgets.

Attachments

- A. Te Aroha Events Centre Charitable Trust Proposes MPDC Waiver Outstanding Cost Balance
- B. Silver Fern Farms Event Centre - Record of contributions to Council - November 2017

Signatories

Author(s)	Fiona Vessey Group Manager Service Delivery	
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Approved by	Don McLeod Chief Executive Officer	
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Health & Safety report - November 2017

Trim No.: 1959686

Executive Summary

The health and safety report for the month of November 2017 is attached.

The Health & Safety Manager will be in attendance to discuss the report with Council.

Recommendation

That the information be received.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Sandy Barnes Health & Safety/Quality Manager	
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Approved by	Dennis Bellamy Group Manager Community Development	
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Annual Declarations Of Interest

Trim No.: 1953416

Executive Summary

Each year we require elected members and other key management personnel to complete an annual declaration of their interests. This is in order to assist members in complying with the Local Authorities (Member's Interest) Act 1968, and to assist Council staff to compile the Annual Report disclosure on related party transactions.

Recommendation

That:

1. The information be received.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Larnia Weir Deputy Finance Manager	
Approved by	Danny Anglesey Finance & Business Services Manager	
	Manaia Te Wiata Group Manager Business Support	

Documents Executed Under Seal - October and November 2017

Trim No.: 1958410

Executive Summary

The schedule of documents executed under Council Seal is attached.

Recommendation

That the report of the schedule of documents executed under Council Seal be received.

Attachments

A. Register of Executed Documents - October and November 2017

Signatories

Author(s)	Vicky Oosthoek Corporate Strategy Administration Officer	
Approved by	Michelle Staines-Hawthorne Corporate Strategy Manager	
	Don McLeod Chief Executive Officer	

Mayoral diary for November 2017

Trim No.: 1959200

The Mayoral Diary for the period 1 November to 30 November 2017 is attached.

Recommendation

That the report be received.

Attachments

A. Mayoral Diary for November 2017

Signatories

Author(s)	Jan Barnes Mayor	
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Approved by	Don McLeod Chief Executive Officer	
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Matamata-Piako Civic and Memorial Centre - Status Report

Trim No.: 1959073

Executive Summary

This report provides Council with an update of the current status of the Matamata-Piako Civic and Memorial Centre.

Events that occurred at an early stage of the works took most of the “float” out of the Contractors programme. An extension of time was approved by the Architect resulting in moving the practical completion date from 22 December 2017 to 23rd January 2018.

The Contractor will hand back the site to the Client on 14th February 2018.

Initial planning has commenced on the various opening activities from the blessing on 23rd February through to a public open day on 17th March 2018.

Finances remain tight but are within the approved project budget of \$6,923,787.

Recommendation

That:

1. The report be received

Content

Background

On 8 February 2017 Council approved the appointment of Stanley Construction Ltd to build the new Matamata-Piako Civic and Memorial Centre at a tender price of \$5,488,787 and a total project budget of \$6,923,787 including contingencies.

Work commenced early April 2017 with a planned practical completion date of 22 December 2017. Two key aspects affected progress in the early stages which has resulted in changes to dates.

Firstly, following decanting of the buildings an invasive asbestos survey was carried out which revealed the presence of more asbestos than first indicated. This delayed the commencement of bulk demolition.

Secondly, high rainfall during the winter months resulted in dump sites being closed to trucks and demolished material having to remain on site for longer than expected and compromising the planned programme.

Practical completion is currently due on 23rd January 2018 followed by a commercial clean and hand over to client on 14th February 2018.

Issues

The project team has worked hard to keep within the construction contingency of \$300,000 and although there are still some unresolved issues the team has reasonable confidence that these can be managed within the contingency, 85% has been allocated to date.

Additional costs due to variations requested by council and outside of the contract have resulted in a high demand on client contingencies. These include:

- double glazing,
- removal of the Petersen Fountain
- extension of the landscaped area
- the provision of a Pou and
- a minor alteration to one proposed office area.

Opening Events

Planning for this has just started and the blessing is being planned for Friday 23rd February.

The transfer of furniture and other operational equipment can then be commenced with a formal opening being planned for Friday 16th March and a public open day on Saturday 17th March 2018.

Communication, consultation and decision making processes

This is ongoing with Ngati Haua, Te Ao Marama, Raukawa, RSA, Petersen family.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Roger Lamberth Kaimai Consultants Manager	
Approved by	Don McLeod Chief Executive Officer	

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

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 public, as follows:

C1 Plan Change 47 - Horrell Road Rural-Residential Development

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege. .	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.