

Council

Open Agenda



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

Date: Wednesday 13 March 2019

Time: 9am

**Venue: Council Chambers
35 Kenrick Street
TE AROHA**

Members

Mayor

Janet E. Barnes, JP (Chairperson)

Councillors

Matamata Ward

Brian Hunter
James Sainsbury
Kevin Tappin
Adrienne Wilcock

Morrinsville Ward

Donna Arnold
Paul Cronin
Neil Goodger
James Thomas, Deputy Mayor, JP

Te Aroha Ward

Teena Cornes
Peter Jager
Ash Tanner

Phone: 07-884-0060
Address: PO Box 266, Te Aroha 3342
Email: secretary@mpdc.govt.nz
Website: www.mpdc.govt.nz



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1 Meeting Opening

2 Apologies

At the close of the agenda apologies from Cr Brian Hunter 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 13 February 2019

7 Matters Arising

8 Announcements

9 Notices of Motion

Audit and Risk Report

Trim No.: 2116973

Executive Summary

John Luxton, Audit and Risk Chair in attendance at 9.00am presenting minutes and recommendations from Audit and Risk meeting of 12 March 2019.

Recommendation

That:

1. The information be received

Attachments

There are no attachments for this report.

Signatories

Author(s)	Meghan Lancaster Committee Secretary	
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Approved by	Niall Baker Senior Policy Planner	
	Don McLeod Chief Executive Officer	

Annual Report Audit Plan - Year ending 30 June 2019

Trim No.: 2111696

Executive Summary

This report seeks approval of the Audit Plan (previously called the Audit Arrangements Letter) for the annual audit for the year ending 30 June 2019.

Recommendation

That:

1. Council approve the Annual Report Audit Plan for 2019.

Content

Background

Section 98 of the Local Government Act 2002 requires Council to prepare and adopt in respect of each financial year an annual report. The annual report contains information regarding the Council's financial and non-financial performance for that year against budgets and specified performance targets. The annual report is required to be audited by independent auditors. The auditors appointed to audit Council by the Auditor General are Audit New Zealand.

Issues

The Audit Plan outlines the proposed approach to the audit, matters of particular interest in the audit approach (both for Council specifically and the local government sector in general), fees and timeline.

Analysis

Options considered

Council has the option of accepting the terms or querying the terms with Audit New Zealand.

Analysis of preferred option

The terms presented by Audit New Zealand are standard for audit processes, if there is an area that the Committee has a particular concern with it is recommended that discussions are initiated with Audit New Zealand to address these.

The Audit Plan has been reviewed by the Audit and Risk Committee at its 12 March meeting, with an update being provided by the Audit and Risk Committee Chair at the Council meeting of 13 March.

Legal and statutory requirements

Section 98 of the Local Government Act 2002 requires Council to prepare and adopt an annual report each financial year.

Impact on policy and bylaws

There are no policy or bylaw issues

Consistency with the Long Term Plan / Annual Plan

Funding is allocated in each Long Term Plan/Annual Plan to produce and audit the Annual Report.

Impact on Significance and Engagement Policy

This matter is not considered significant.

Communication, consultation and decision making processes

There are no communication, consultation or decision making issues.

Consent issues

There are no consent issues

Timeframes

Key dates for the Annual Report 2018/19 are as follows:

6 Month Report	Date
Audit and Risk Committee meeting - <i>Financial and non-financial performance measures</i>	12 March 2019
Approved by Corporate & Operations Committee	27 February 2019
Annual Report	
Interim Audit	27 May – 7 June 2019
Interim Audit report approved by Council	10 July 2019
Draft Report and Summary to Corporate & Operations Committee	28 August 2019
Final Audit	26 August – 13 September 2019
Final Annual Report, Summary and Audit Report to Audit & Risk Committee for review	01 October 2019
Final Annual Report, Summary and Audit Report approved by Council	02 October 2019
Annual Report and Summary published in local newspapers. (Published on website, available in offices/libraries as soon as practicable following approval)	30 October 2019

Financial Impact

i. Cost

The production of the Annual Report and Summary has a budget of \$15,000 (excluding audit costs) for production of the Annual Report and Summary.

Audit fees have a budget of \$125,000.

ii. Funding Source

The Annual Report cost is provided for within the strategies and plans activity budgets. The Annual Report and audit are funded from general rates.

Audit fees are attached.

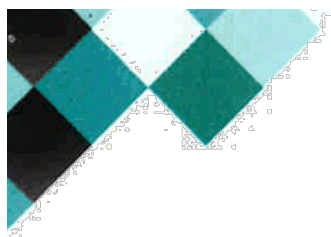
Attachments

- A. MPDC - Audit Engagement Letter - 2019 Annual Report
- B. Audit Plan 2019 MPDC Annual Report
- C. MPDC draft Audit Proposal Letter - 2017-19

Signatories

Author(s)	Rebecca Shaw Graduate Policy Planner	
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Approved by	Niall Baker Senior Policy Planner	
	Don McLeod Chief Executive Officer	



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

745 Cameron Road, Tauranga 3112
PO Box 621, Tauranga 3144
Telephone (04) 496 3099

5 March 2019

Jan Barnes
Mayor
Matamata-Piako District Council
PO Box 266
Te Aroha 3342

Dear Jan

Audit Engagement Letter

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all "public entities", including Matamata-Piako District Council (the District Council), under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, under sections 32 and 33 of the Act, to carry out the annual audit of the District Council's financial statements and performance information. We will be carrying out the annual audit on the Auditor-General's behalf, for the year ending 30 June 2019.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Council and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the District Council's financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit (typically those matters will relate to issues of financial management and accountability).

We will carry out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether District Council's financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

A business unit of the Controller and Auditor-General | www.auditnz.govt.nz

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Your responsibilities

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
 - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
 - all other information, in addition to the financial statements and performance information, to be included in the annual report;
 - additional information that we may request from the District Council for the purpose of the audit;
 - unrestricted access to Council members and employees that we consider necessary; and
 - written confirmation concerning representations made to us in connection with the audit.
- In addition, the Council is responsible:
 - for the preparation of the summary financial statements and summary performance information;
 - for making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
 - for including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.

The Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;

- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within the District Council with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred – regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Appendix 1. Appendix 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the Council to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The Council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of District Council:

- present fairly, in all material respects:
 - its financial position; and
 - its financial performance and cash flows for the financial year;
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

We are also responsible for forming an independent opinion on whether the performance information of the District Council

- presents fairly, in all material respects, the performance for the financial year, including:
 - its performance achievements as compared with forecasts included in the forecast performance report for the financial year; and
 - its actual revenue and expenses as compared with the forecasts included in the forecast performance report for the financial year; and
- complies with generally accepted accounting practice in New Zealand.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Council have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Council obtained and applied the resources of the District Council in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Council have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of the District Council; including being independent of management personnel and members of the Council. This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Audit New Zealand.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Council and me or Audit New Zealand.

Reporting

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report. In addition, we will issue an audit report that will be attached to the summary financial statements and summary performance information. This audit report will contain an opinion that provides the same level of assurance as the audit report on the full financial statements and full performance information.

We will also issue a management letter that will be sent to the Council. This letter communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Council. Typically those matters will relate to issues of financial management and accountability. We may also provide other management letters to the District Council from time to time. We will inform the Council of any other management letters we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

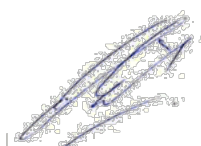
Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the letter in the space provided and returning a copy to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours sincerely



Leon Pieterse
Appointed Auditor
On behalf of the Auditor-General

I acknowledge the terms of this engagement and that I have the required authority on behalf of the Council.

Signature:

Name:

Jan Barnes

Title:

Mayor

Date:

5 March 2019

Appendix 1: Respective specific responsibilities of the Council and the Appointed Auditor

Responsibilities of the Council	Responsibilities of the Appointed Auditor
Responsibilities for the financial statements and performance information	
<p>You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.</p> <p>You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:</p> <ul style="list-style-type: none"> present fairly, in all material respects: <ul style="list-style-type: none"> the financial position; and the financial performance and cash flows for the financial year; comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards. <p>We are also responsible for forming an independent opinion on whether the performance information:</p> <ul style="list-style-type: none"> presents fairly, in all material respects, the performance for the financial year, including: <ul style="list-style-type: none"> the performance achievements as compared with forecasts included in the forecast performance report for the financial year; and the actual revenue and expenses as compared with the forecasts included in the forecast performance report for the financial year. complies with generally accepted accounting practice in New Zealand <p>We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.</p>

Responsibilities of the Council	Responsibilities of the Appointed Auditor
	<p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information.</p> <p>If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.</p> <p>An audit also involves evaluating:</p> <ul style="list-style-type: none"> the appropriateness of accounting policies used and whether they have been consistently applied; the reasonableness of the significant accounting estimates and judgements made by those charged with governance; the appropriateness of the content and measures in any performance information; the adequacy of the disclosures in the financial statements and performance information; and the overall presentation of the financial statements and performance information. <p>We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:</p> <ul style="list-style-type: none"> the adoption of the going concern basis of accounting is appropriate; all material transactions have been recorded and are reflected in the financial statements and performance information;

Responsibilities of the Council	Responsibilities of the Appointed Auditor
	<ul style="list-style-type: none"> all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. <p>Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.</p> <p>We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that.</p> <p>The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.</p>
Responsibilities for the accounting records	
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> correctly record and explain the transactions of the District Council; enable you to monitor the resources, activities, and entities under your control; enable the District Council's financial position to be determined with reasonable accuracy at any time; enable you to prepare financial statements and performance information that comply with legislation and that allow the financial statements and performance information to be readily and properly audited; and are in keeping with the requirements of the Commissioner of Inland Revenue. 	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>

Responsibilities of the Council	Responsibilities of the Appointed Auditor
Responsibilities for accounting and internal control systems	
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the District Council), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and performance information reporting.</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.</p> <p>We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.</p>
Responsibilities for preventing and detecting fraud and error	
<p>The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of the District Council) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within the District Council with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:</p> <ul style="list-style-type: none"> • obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and • report to you any significant weaknesses in internal control that come to our notice. <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.</p> <p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.</p>

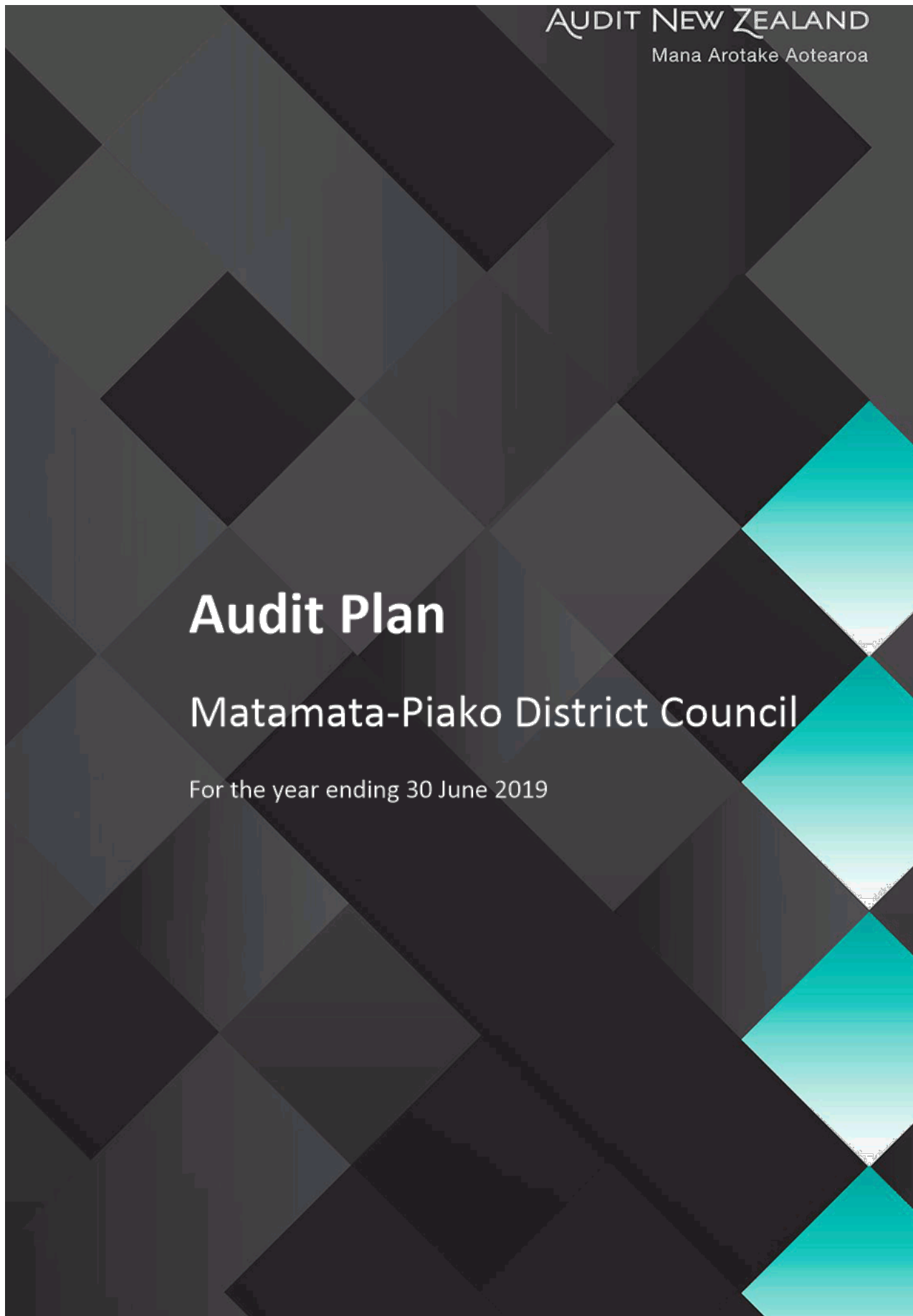
Responsibilities of the Council	Responsibilities of the Appointed Auditor
Responsibilities for compliance with laws and regulations	
<p>You are responsible for ensuring that the District Council has systems, policies, and procedures (appropriate to the size of the District Council) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of the District Council are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:</p> <ul style="list-style-type: none"> the relevance of the law or regulation to the audit; our assessment of the risk of non-compliance; and the impact of non-compliance for the addressee of the audit report. <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p> <p>We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.</p>

Responsibilities of the Council	Responsibilities of the Appointed Auditor
Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures.</p> <p>The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of the District Council may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p> <p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.</p> <p>The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>
Responsibilities for conflicts of interest and related parties	
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p> <p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.</p>	<p>To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.</p>

Responsibilities of the Council	Responsibilities of the Appointed Auditor
Responsibilities for publishing the audited financial statements on a website	
<p>You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.</p>	<p>Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.</p>

Appendix 2: Health and safety of audit staff

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.



Audit Plan

I am pleased to present our Audit Plan for the audit of Matamata-Piako District Council (the District Council) for the year ending 30 June 2019. The purpose of this Audit Plan is to discuss:

Audit risks and issues	2
Our audit process.....	6
Reporting protocols	10
Audit logistics	11
Expectations.....	12

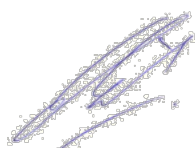
The contents of this Plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this Plan.

Our work improves the performance of, and the public's trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely



Leon Pieterse
Appointed Auditor
5 March 2019

Audit risks and issues

Focus areas



Based on the planning work and discussions that we have completed to date, we set out in the table below the main audit risks and issues. These will be the main focus areas during the audit.

Audit risk/issue	Our audit response
Management override	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls.</p> <p>Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • testing the appropriateness of selected journal entries; • reviewing accounting estimates for indications of bias; and • evaluating any unusual or one-off transactions, including those with related parties.
Significant audit risk- PPE revaluation/ fair value assessment	
<p>The District Council periodically revalues its roading and three waters assets. PBE IPSAS 17, <i>Property, Plant and Equipment</i> requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.</p> <p>We understand that the District Council revalued its roading and three waters assets on 1 July 2018.</p> <p>Aside from reviewing the adjustments and disclosures made as a result of the revaluation, the District Council will need to complete a fair value assessment as at 30 June 2019 to ensure that the carrying amount of its roading and three waters assets do not differ materially from their fair value.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> • Seeking assurance from the valuer that the valuation has been completed in accordance with the appropriate valuation and accounting standards. • Reviewing the scope of the valuation and assessing the competence of the valuer, the completeness of the data and reasonableness of the assumptions underlying the valuation. • Reviewing the revaluation adjustments and ensure these have been correctly accounted for. We will also review the compliance of accounting adjustments and disclosures made against PBE IPSAS 17. • Reviewing the District Council's assessment of whether there is any material difference between the carrying amount and fair value of its assets.

Additional areas of focus across the sector identified by the Auditor-General

There are a number of other risks that are common across the local government sector. This table sets out these risks and our audit response.

Areas of focus	Our audit response
Rates	
<p>Rates are the District Council's primary funding source. Compliance with the Local Government (Rating) Act 2002 (LGRA) in rates setting and collection is critical to ensure that rates are validly set and not at risk of legal challenge.</p> <p>Due to prior year issues and concerns over rating practices in the local government sector as a whole we focused our attention on the Council's compliance with rating legislation and regulations during the 2018 audit.</p>	<p>For 2019 we will again consider the Council's compliance with aspects of the LGRA that materially impact on the financial statements. Principally this means a focus on the rates setting process – the consistency and completeness of the resolution and the Funding Impact Statement (FIS), and reviewing a sample of differentially set and/or targeted rates to assess whether the matters and factors used are consistent with the LGRA.</p> <p>We stress that our review of compliance with legislation is completed for the purposes of expressing our audit opinion. It is not, and should not be seen, as a comprehensive legal review. This is beyond the scope of our audit, and our expertise as auditors. The Council has responsibility for ensuring that it complies with applicable laws and regulations.</p>
Elected members' remuneration and allowances	
<p>The Local Government Act 2002 gives the Remuneration Authority responsibility for setting the remuneration of local government elected members. The Authority also has the role of approving a local authority's policy on allowances and expenses.</p> <p>The Council's annual report must disclose the total remuneration received by or payable to each member of the local authority in the reporting period. A local authority must disclose remuneration paid or payable to each member from both the local authority and any council organisation of the local authority.</p>	<p>We will assess the District Council's compliance with the requirement to disclose the remuneration of each member of the local authority in the annual report against the relevant Local Government Elected Members Determination and any amendment to that Determination.</p> <p>We will also confirm whether the payments are within the Determination set by the Authority.</p>

Areas of focus	Our audit response
Local Government elections	
<p>With the election in October 2019, the Council needs to be careful that the content of the annual report and summary annual report (as well as any other publications issued by the District Council) cannot be seen as electioneering.</p> <p>We encourage the Council to consider how it will manage the need to maintain ordinary business and continue to carry out its statutory responsibilities, while ensuring that its resources are not used, or perceived as being used, to give electoral advantage.</p>	<p>We will discuss with management how the Council plans to manage the risks associated with the election.</p> <p>We will review the annual and summary reports to ensure they are appropriate if issued prior to the election.</p>
Effective corruption prevention and detection controls	
<p>Parliament's Finance and Expenditure Committee are interested in understanding whether the public sector has effective corruption prevention and detection processes in place. As a result, the Office of the Auditor-General (OAG) is gathering initial information relating to how public entities address these risks, including what processes are used to prevent bribery and corruption. This work will be used to inform whether further investigation is undertaken by the OAG.</p>	<p>We will discuss with management and the Council what processes are in place to reduce the risk of bribery and corruption at the District Council. Our findings will be reported to the OAG.</p>
Local Authorities (Members' Interest) Act 1968	
<p>The Local Authorities (Members' Interests) Act 1968 controls the making of contracts between councillors and the District Council and prevents councillors from participating in Council matters in which they have a pecuniary interest.</p> <p>The Auditor-General's 2010 report <i>Guidance for members of local authorities about the Local Authorities (Members' Interests) Act 1968</i> provides useful guidance for both Council and elected members on their requirements under the Act.</p>	<p>It is primarily the District Council and elected member's responsibility to ensure the requirements of the Local Authorities (Members' Interests) Act 1968 are complied with. We will update our understanding of the District Council's policies and processes in relation to members' interests and in the course of our usual audit work we will remain alert for any potential breaches of the Act.</p>

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant – misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. In this regard, we will discuss the following questions with you:

- What role does Council play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to Council? Has appropriate action been taken on any lessons learned?

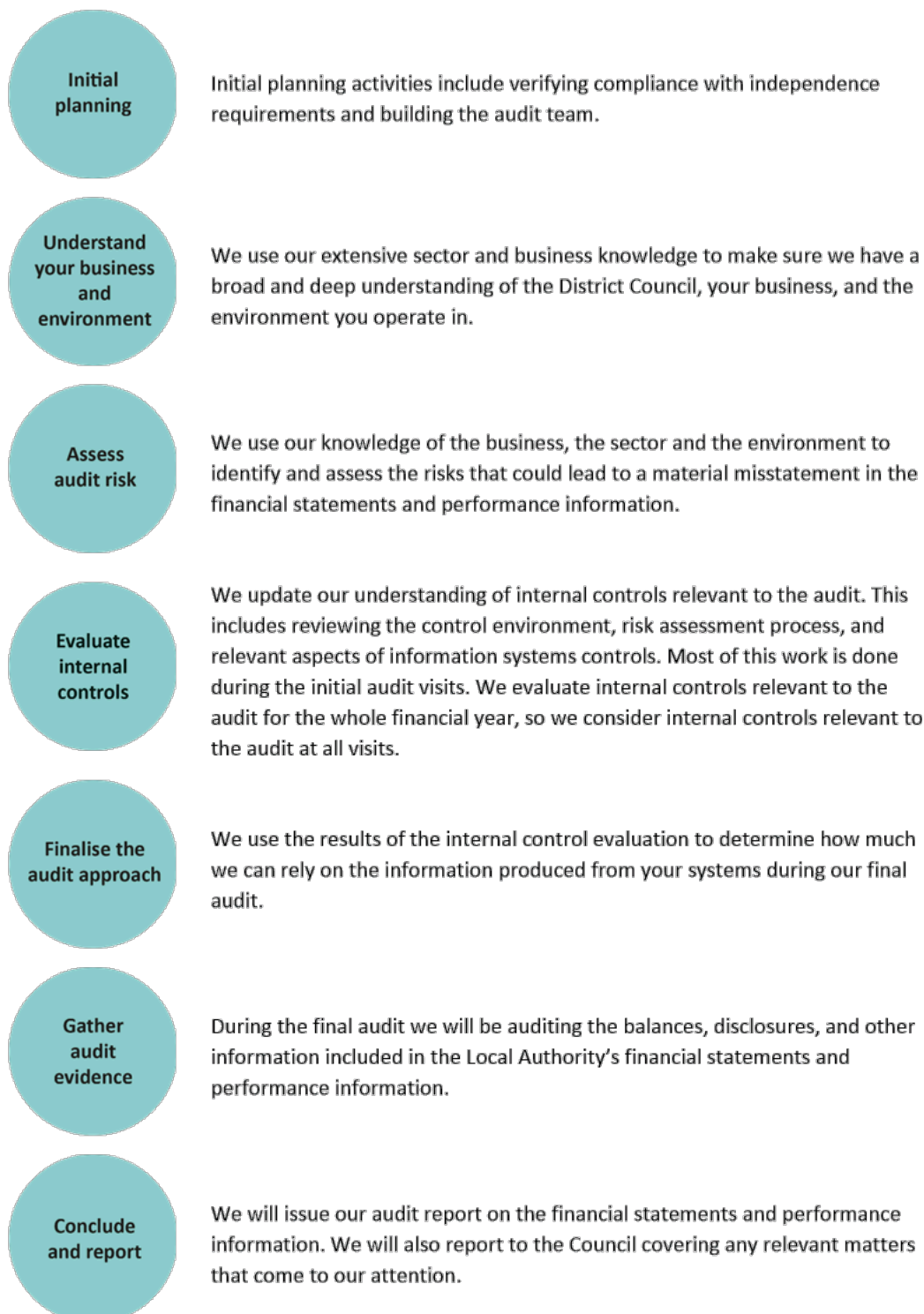
Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.govt.nz/reports/fraud-reports.

Our audit process



Enhancing year-end processes

The year-end financial statement close process and the preparation of the annual report requires a large number of resources to be committed to complete it effectively. This diverts the attention of your staff away from the current financial year and focuses them on past events. We want the audit process to run smoothly and we will work with management to achieve this through bringing forward the timing of audit procedures.

Bringing forward audit procedures

Substantive audit procedures are traditionally performed after the year-end. Where possible, we will aim to bring audit procedures earlier in the year. This will be focused on year-to-date transactions for expenditure. Completion of these tests earlier in the year should allow for more timely identification and resolution of errors.

This testing will be completed during the interim audit. This requires us to have the right information available during this visit to enable us to complete this work.

We will work with management to facilitate getting the information required at the right time. We will communicate with management if information is not available as agreed, including any impact on the year-end audit.

Materiality

In performing our audit, we apply the concept of materiality. In the public sector, materiality refers to something that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

Accounting standards also require the Council and management to consider materiality in preparing the financial statements. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities.

Whether information is material is a matter of judgement. We consider the nature and size of each item judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor. Materiality will be lower for some items due to their sensitivity.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and performance information. During the audit, we will provide details of any such misstatements we identify to an appropriate level of management.

We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement we will seek written representations from representatives of the Council that specify the reasons why the corrections will not be made.

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term "opinion" reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

How we consider compliance with laws and regulations

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

Wider public sector considerations

A public sector audit also examines whether:

- Matamata-Piako District Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by Matamata-Piako District Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by Matamata-Piako District Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by Matamata-Piako District Council or by one of more of its members, office holders, or employees.

Reporting protocols

Communication with management and the Council



We will meet with management and the Council throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Reports to Council



We will provide a draft of all reports to Council and management for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to Council.

We will also follow up on your progress in responding to our previous recommendations.

Audit logistics

Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Leon Pieterse	Appointed Auditor
Jared Williams	Audit Manager
Jade Verstraten	Audit In-charge
Jason Biggins	Tax Director
Robyn Dearlove	Information Systems Audit and Assurance Manager

Timetable



Our proposed timetable is:

Control environment assessment	4 March 2019
Revaluation audit	15 April 2019
Interim audit begins	27 May 2019
Draft interim report to Council issued	14 June 2019
Draft financial statements available for audit (including notes to the financial statements) with actual year-end figures	26 August 2019
Reports to Trustees of Debenture Trust Deed available for audit	26 August 2019
Final audit begins	26 August 2019
Final financial statements available, incorporating all the amendments agreed to between us	9 September 2019
Annual report available for audit, including any Chair and Chief Executive's overview or reports	13 September 2019
Verbal audit clearance given	20 September 2019
Draft report to Council issued	20 September 2019
Audit opinion issued	2 October 2019
Audit report issued on report to Trustees of Debenture Trust Deed	2 October 2019

Expectations



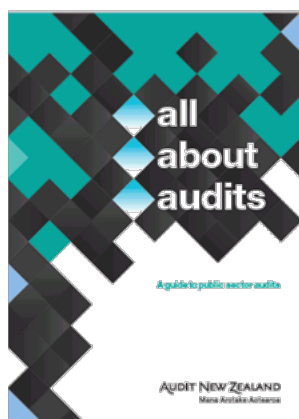
For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit. We have also published information to explain what to expect from your audit:



Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

PO Box 621, Tauranga 3144
Phone: 04 496 3099

www.auditnz.govt.nz



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

2 February 2017

745 Cameron Road
PO Box 621, Tauranga 3140

Phone: 04 496 3099
Fax: 07 577 9321

Manaia Te Wiata
Group Manager Business Services
Matamata-Piako District Council
PO Box 266
Te Aroha 3342

Dear Manaia

Audit Arrangements and Audit Proposal letters for the year ending 30 June 2017

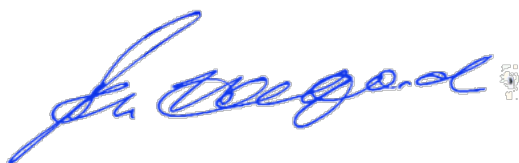
Please find attached a copy of our draft Audit Arrangements Letter in respect of the audit of Matamata-Piako District Council for the year ending 30 June 2017, along with a copy of our draft Audit Proposal Letter for the audits of the years ending 30 June 2017, 2018 and 2019.

The letters are in draft form for discussion purposes to ensure that the terms are in accordance with management's understanding of them and if you agree with the contents. Where necessary, amendments can be made to clarify or correct information contained in the drafts.

We would be pleased to discuss the proposed fee with you and/or provide clarification of anything contained in the draft letters before they are finalised. Alternatively, I would be pleased to receive any comments you have on the letters. Once we have received your agreement, the letters can be finalised.

Please contact me on 04 496 3099 or 021 222 8215 if you have any queries.

Yours sincerely



B H Halford
Director

Encls

cc Michelle Staines-Hawthorne, Corporate Strategy Manager

A:\2019 - H&B\Matamata\H&B\2017 - 2018-2019\7

Item 10.2

Attachment C

AUDIT NEW ZEALAND
Mana Aotake Aotearoa

2 February 2017

Ref.: EN/LCA/3-0025

745 Cameron Road
PO Box 621, Tauranga 3140

Phone: 04 496 3099
Fax: 07 577 9321

Jan Barnes
Mayor
Matamata-Piako District Council
PO Box 266
Te Aroha 3342

Copy: Director Auditor Appointments
Office of the Auditor-General
PO Box 3928
Wellington 6140

Dear Jan

Proposal to conduct the audit of Matamata-Piako District Council on behalf of the Auditor-General for the 2017, 2018 and 2019 financial years

1 Introduction

The Auditor-General has appointed me, B H Halford to carry out the audit of your organisation for the next three years. As required by the Office of the Auditor-General (OAG), I set out below information relating to the audit for the three financial years ending 30 June 2017, 2018 and 2019. The purpose of this proposal is to provide information on:

- the statutory basis for the audit and how audit fees are set;
- the entities covered by this proposal;
- key members of the audit team;
- the hours we plan to spend on the audit and reasons for any change in hours;
- our proposed fees for the audit for the financial years ending 30 June 2017, 2018 and 2019 and reasons for any change;
- assumptions relating to the proposed audit fees, including what we expect of your organisation;
- what the OAG overhead charge provides;
- certification required by the Auditor-General; and
- our commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.

A23-H612-matamata-Piako-DC-173 - 30-06-2017

The audit of your organisation is carried out under Section 15 of the Public Audit Act 2001, which states that "the Auditor-General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited".

Our proposed audit fees are set out in this letter and include an estimate of the reasonable cost of disbursements (including travel and accommodation where necessary).

This proposal covers the audit of Matamata-Piako District Council (the District Council).

Appointed Auditor
Audit Manager
Information Systems Specialist

We estimate that the following hours will be required to carry out the audits (compared to budgeted and actual data from the previous financial year):

Audit team member	2016 budget	2016 actual	2017	2018	2019
Appointed Auditor	56	72	60	60	60
Review Director	0	0	0	0	0
Audit Manager	95	81	95	95	95
Other Staff	560	500	564	564	564
<i>Other specialists:</i>					
Sector specialist support	8	8	7	7	7
Information systems	20	24	20	20	20
Specialist Assurance Services	0	19	0	0	0
Tax	2	1	2	2	2
Total audit hours	741	697	748	748	748

5.1 Reasons for changes in audit hours

The major reasons for the changes in hours for your organisation's audit are:

Reasons for increased or decreased audit hours compared to previous period <u>budgeted</u> hours:	2017
Increase in Other Staff hours	4
Increase in Appointed Auditor Hours	4
Decrease in Sector specialist support	(1)
Total increase (decrease) in audit hours	7

5.1.1 Increase in Other staff hours

The increase in other staff hours is mainly due to the increase in work required over prudence disclosures and other legislative changes. Also, resourcing in prior years were at different levels compared to the team this year, therefore, we have increased the hours to accommodate the change in team.

5.1.2 Increase in Appointed Auditor hours

The audit team for the current year audit has been appointed at different levels compared to prior year audits. Due to the change in Audit Manager assigned to the team, we are budgeting for more hours involving the Appointed Auditor.

6 Proposed audit fees

Our proposed fees for the next three audits (compared to budgeted and actual data from the previous financial year) are:

Structure of audit fees	2016 budget \$	2016 actual \$	2017 \$	2018 \$	2019 \$
Net audit fee (excluding OAG overhead and disbursements)	111,532	131,379	111,633	112,896	114,361
OAG overhead charge	9,636	12,731	10,065	10,367	10,678
Total audit fee (excluding disbursements)	121,168	144,110	121,698	123,263	125,039
Estimated disbursements	3,700	7,812	4,000	4,000	4,000
Total billable audit fees and charges	124,868	151,922	125,698	127,263	129,039
GST	18,730	22,788	18,855	19,089	19,356
Total (including GST)	143,598	174,710	144,553	146,352	148,395

The audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG overhead charge. We have also estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.

6.1 Reasons for changes in audit fees

The main changes in cost components for future audits are:

Reasons for increased or decreased audit fees compared to previous period budgeted fees.	2017	2018	2019
Cost of increase in Appointed Auditor hours	1,660		
Cost of increase in Other staff hours	464		
Decrease in Sector Specialist support	(270)	-	-
Predicted staff salary cost and staff mix movements	(1,324)	1,565	1,776
Total increase (decrease) in audit fees	530	1,565	1,776

7 Assumptions relating to our audit fee

Our proposed audit fees are based on the following assumptions:

- you will provide to us in a timely manner the complete information required by us to conduct the audit;
- your staff will provide us with an appropriate level of assistance;
- your organisation's annual report and financial statements (including Statements of Service Performance) will be subject to appropriate levels of quality review before being submitted to us for audit;
- your organisation's financial statements will include all relevant disclosures;
- we will review up to two sets of draft annual reports, one printer's proof copy of the annual report, and one copy of the electronic version of the annual report (for publication on your website);
- there are no significant changes to the structure and/or scale of operations of the entities covered by this proposal (other than as already advised to us);
- there are no significant changes to mandatory accounting standards or the financial reporting framework that require additional work;
- there are no significant changes to mandatory auditing standards that require additional work other than the application of AG-4 (revised), *The Audit of Service Performance Reports*; and

- there are no significant changes to the agreed audit arrangements (set out in an annual letter we will send you) that change the scope of, or disbursements related to, this audit.

If the scope and/or amount of work changes significantly, we will discuss the issues with you and the OAG at the time.

8 What the OAG overhead charge provides

Parliament has indicated that it expects the full cost of annual audits under the Public Audit Act (including an OAG overhead charge) to be funded by public entities.

The OAG overhead charge partially funds a range of work that supports auditors and entities, including:

- development and maintenance of auditing standards;
- technical support for auditors on specific accounting and auditing issues;
- ongoing auditor training on specific public sector issues;
- preparation of sector briefs to ensure a consistent approach to annual audits;
- development and maintenance of strategic audit plans; and
- carrying out quality assurance reviews of all auditors, and their audits and staff on a regular (generally, three-year) cycle.

Appointed Auditors are required to return the OAG overhead charge portion of the audit fee, to the OAG.

9 Certifications required by the Auditor-General

We certify that:

- the undertakings, methodology, and quality control procedures that we have declared to the OAG continue to apply;
- our professional indemnity insurance policy covers this engagement; and
- the audit will be conducted in accordance with the terms and conditions of engagement set out in the audit engagement agreement and schedules.

10 Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please do not hesitate to contact me.

Please counter-sign this letter (below) to confirm that you, and the governing body of your organisation, agree with its contents. This letter will then form the basis for a

recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my audit engagement agreement with the Auditor-General to carry out the audit of your organisation as the agent of the Auditor-General.

Yours sincerely

B H Halford
Director
Audit New Zealand

I accept the audit fees for the audit of the [number of] financial years as stated above.

Full name: Jan Barnes Position: Mayor

Authorised signature: _____ Date: _____

Entity name: Matamata-Piako District Council

Waikato Regional Airport Ltd - Shareholder approval

Trim No.: 2115852

Executive Summary

Waikato Regional Airport Limited (WRAL) entered into agreements to acquire the buildings and business assets of the Hamilton Airport Hotel and Conference Centre, and have also entered into a management agreement for an external entity to manage the hotel business on behalf of WRAL.

WRAL's Board of Directors have identified the need for a new subsidiary company to be incorporated to own the assets related to the hotel business and undertake certain operations of the hotel. Pursuant to WRAL's constitution, creation of a new subsidiary company amounts to a major transaction and requires a 75% shareholder approval before WRAL can proceed to incorporate the new entity.

Recommendation

That:

1. The information be received.
2. Matamata-Piako District Council (the shareholder) approve or not approve:
by special resolution, the major transaction of Waikato Regional Airport Limited (WRAL) to incorporate a wholly owned subsidiary company Waikato Regional Airport Hotel Limited, with its initial Board of Directors being all the Directors holding office in WRAL on 15 March 2019.

Content

Background

Waikato Regional Airport Limited (WRAL) is a Council Controlled Organisation (CCO) owned by five Waikato councils, with Matamata-Piako's shareholding at 15.62%.

Waikato Regional Airport Limited (WRAL) entered into agreements to acquire the buildings and business assets of the Hamilton Airport Hotel and Conference Centre in January 2018. In February 2019, they have also entered into a management agreement with Jet Park Hotel Limited to manage the hotel business on behalf of WRAL.

WRAL's Board of Directors have identified the need for a new subsidiary company to be incorporated to own the assets related to the hotel business and undertake certain operations of the hotel. They believe that the new entity is required to:

- Provide optimal asset protection to both the aeronautical and hotel investment assets
- Maximise financial returns to the group, and
- Provide flexibility for future options relating to the ongoing hotel investment.

Under the proposed arrangement, WRAL will continue to retain ownership of the land and hotel buildings and lease these to the new subsidiary, thereby not altering the ownership of the core underlying hotel assets or the net assets of WRAL.

Pursuant to WRAL's constitution, the creation of a new subsidiary company amounts to a major transaction and requires a 75% shareholder approval before WRAL can proceed to incorporate the new entity. Under the proposal, WRAL will be the sole shareholder of the new entity and the WRAL Board of Directors will also be the Directors of the new entity, Waikato Regional Airport Hotel Limited.

Further information received from Scott Kendall, Group Finance Manager, Hamilton Airport:

We have engaged our accountants/advisors PriceWaterhouseCoopers (PWC) and our lawyers Ellice Tanner Hart (ETH) through the process of setting up our proposed new entity. We also used Horwath Hotels Tourism & Leisure as industry experts to run a recruitment process for the hotel manager.

In terms of the new entity, we believe it is important for the following reasons:

- Legal protection of current WRAL assets including hotel land and buildings; and aeronautical assets: With a manager appointed to act as an effective agent for our entity and assets, a separate entity ensures the agent (hotel manager) has clear limitation to their jurisdiction and ultimately no core WRAL assets are exposed as a result of any agent actions. We have remedies under the agreement and insurance protection is being arranged to cover agent actions however these are *after the fact* measures, where as a separate entity is a prevention in the first place. The hotel land and buildings will be owned by WRAL with a commercial lease to the new entity.
- Commercial risk: There is a greater commercial risk with an active investment (owning hotel business) rather than a passive investment (owning an investment property). A separate entity not only provides greater transparency around the individual business unit performance, but being segregated from the airport assets and business in the event of a failure of the hotel business means airport assets are not exposed to creditor claims in a worst case outcome.
- The arrangement is ultimately tax (and accounting profit) neutral as WRAL will be the sole shareholder of the new company.
- Future investment, expansion or divestment: if in the future it is opportune to divest the business; or an opportunity arises to introduce a new investment partner a separate entity allows this to be done very cleanly; this follows the same rationale employed for WRAL establishing the former Titanium Park Joint Venture vehicle.

Issues

Council's objective for holding equity in WRAL (as noted in the Long Term Plan) is to secure the retention of the airport as a major infrastructural facility, important to the economy of the Waikato.

The core purpose and objectives for WRAL are set out in their Statement of Intent (SOI), which is approved by Council on an annual basis. In WRAL's current SOI, their core purpose is identified as:

1. Enabler of air services to the region.
2. Operate a first class, safe and compliant regional airport.
3. Strategic positioning of the business to enhance capital value.

Their key objectives are to:

1. Operate an efficient and compliant airport.
2. Enhance the traveller experience.
3. Maintain a viable aeronautical business.

4. Maximise revenue diversification through non-aeronautical business opportunities.

The Board of WRAL must make decisions in accordance with their SOI and their constitution. They have engaged external legal and financial advice in the process of setting up the proposed new entity. Council may wish to seek formal assurance from the Board that the decision to create the new subsidiary entity is in accordance with WRAL's SOI and constitution, and/or that this proposal is in the best interests of WRAL and therefore its shareholders.

Analysis

Options considered

Council may accept the proposed new entity will offer necessary protection to the capital value and Council's investment in WRAL (in line with the SOI), or Council may seek formal assurance of such from the Board before making a decision whether to approve the proposal or not.

Legal and statutory requirements

From the Local Government Act 2002:

59 Principal objective of council-controlled organisation

- (1) The principal objective of a council-controlled organisation is to—
- (a) achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and
 - (b) be a good employer; and
 - (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
 - (d) if the council-controlled organisation is a council-controlled trading organisation, conduct its affairs in accordance with sound business practice.

60 Decisions relating to operation of council-controlled organisations

All decisions relating to the operation of a council-controlled organisation must be made by, or under the authority of, the board of the organisation in accordance with—

- (a) its statement of intent; and
- (b) its constitution.

Impact on Significance and Engagement Policy

We do not consider that the proposal is significant, in that the proposal does not have the effect of transferring the ownership or control of strategic assets, as WRAL will be the sole shareholder of the new company.

Communication, consultation and decision making processes

Pursuant to WRAL's constitution, creation of a new subsidiary company amounts to a major transaction and requires a 75% shareholder approval before WRAL can proceed to incorporate the new entity.

Timeframes

Postal voting paper to be received by Waikato Regional Airport Limited no later than Friday 15 March, 2019 at 5.00pm.

Financial Impact

i. Cost

WRAL have not provided any indication of costs associated with the development of the proposal. They have advised that the arrangement is ultimately tax (and accounting profit) neutral as WRAL will be the sole shareholder of the new company.

ii. Funding Source

Council does not fund the activities of WRAL, with the exception of an annual grant to the Company's tourism subsidiary.

Attachments

A. Shareholder approval letter to MPDC

Signatories

Author(s)	Larnia Weir Deputy Finance Manager	
	Danny Anglesey Finance & Business Services Manager	

Approved by	Manaia Te Wiata Group Manager Business Support	
	Don McLeod Chief Executive Officer	



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Email wa@hamiltonairport.co.nz

Hamilton Airport
Airport Road, RD2
Hamilton 3200, New Zealand

Don McLeod
Chief Executive
Matamata-Piako District Council
35 Kenrick St
Te Aroha

22 February 2019

Dear Don

Matamata-Piako District Council shareholding in Waikato Regional Airport Limited: major transaction

As you will be already aware Waikato Regional Airport Limited (WRAL) entered into agreements to acquire the buildings and business assets of the Hamilton Airport Hotel and Conference Centre (in January 2018) located on the airport precinct. On 7 February 2019 WRAL also entered into a management agreement with Jet Park Hotel Limited to manage the hotel business on behalf of WRAL.

WRAL have identified the need for a new subsidiary company to be incorporated to own assets related to the hotel business and undertake certain operations of the hotel. Pursuant to WRAL's constitution, creation of a new subsidiary company amounts to a major transaction and requires a 75% shareholder approval before WRAL can proceed to incorporate the new entity. WRAL will be the sole shareholder of the new entity and the WRAL Board of Directors will also be the Directors of the new entity, Waikato Regional Airport Hotel Limited.

The original agreements to acquire the hotel buildings and business were entered into after consultation with shareholders. Shareholder approval was not required to undertake these transactions as the combined acquisition value did not meet the major transaction threshold in WRAL's constitution. The act of creating a new entity does however meet the test of a major transaction. The WRAL Directors believe the new entity is required to provide optimal asset protection to both the aeronautical and hotel investment assets, maximise financial returns to the group and provide flexibility for future options relating to the ongoing hotel investment. WRAL will however continue to retain ownership of the land



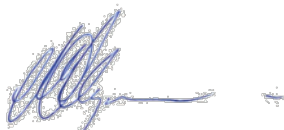
www.hamiltonairport.co.nz

and hotel buildings and lease these to the new subsidiary, thereby not altering ownership of the core underlying hotel assets or the balance sheet shareholder funds (net assets) of WRAL.

To enable WRAL to proceed with incorporating the new subsidiary entity, the WRAL Directors request that you confirm your approval by returning the attached postal voting paper to Mark Morgan, Chief Executive, Waikato Regional Airport Limited no later than Friday 15 March, 2019 at 5.00pm. Votes will be counted on the basis of one vote per share held.

If you have any questions relating to our proposal to incorporate our new subsidiary, please do not hesitate to contact either myself or WRAL Chairman John Spencer.

Kind Regards



Mark Morgan
Chief Executive



www.hamiltonairport.co.nz



Special Resolution of the Shareholders of Waikato Regional Airport Limited
Postal Voting Paper

Shareholder

Matamata-Piako District Council

Shareholding

777,110 of 4,973,504 ordinary shares (15.62%)

The resolution to be voted on

That the shareholders approve, by special resolution, the major transaction of Waikato Regional Airport Limited (WRAL) to incorporate a wholly owned subsidiary company Waikato Regional Airport Hotel Limited, with its initial Board of Directors being all the Directors holding office in WRAL on 15 March 2019.

Please have an authorised signatory complete by placing a tick mark (✓) in the appropriate box below

Matamata-Piako District Council votes...

☐

IN FAVOUR OF

☐

AGAINST THE

...resolution to be voted on

Signature

Name

Designation

Date

CCO Monitoring - WRAL 6 Monthly Report and Statement of Intent

Trim No.: 2116941

Executive Summary

Waikato Regional Airport Limited (WRAL) is a CCO owned by five Waikato councils, with Matamata-Piako's shareholding at 15.6%.

Council controlled organisations are required (subject to certain exemptions) by the Local Government Act 2002 to prepare and publish an annual statement of intent, and produce a half yearly report for shareholders on the entity's operations during the half year.

The purpose of this report is to present to the Council, WRAL's six-monthly report to December 2018, and to seek Council feedback on the draft WRAL Statement of Intent for 2019/20.

Recommendation

That:

1. The report is received.
2. Council receives the Waikato regional Airport Limited six-monthly report to December 2018, and
3. Council considers providing feedback on the Waikato Regional Airport Limited 2019/20 Draft Statement of Intent

Content

Background

The core purpose of WRAL is to enable air services to the region, operating a first class, safe and compliant regional airport, and strategic positioning of the business to enhance capital value.

Six-monthly report

WRAL considers that in the first six months trading the financial performance was acceptable, an overview is provided by the WRAL chair in the report.

The six month report provides an overview of financial performance against KPIs in the current Statement of Intent. However it does not disclose how the company is tracking against the following non-financial performances measures

- Health & Safety
 - Facilitate Health & Safety meetings every 2 months with representatives from each company department
 - Zero Work Safe notifiable accidents/injuries (the Chair has indicated there were none as part of the overview)
 - Implement the company's Health & Safety framework to align with the requirements of the Health and Safety at Work Act 2015 and independently review and audit the system each year.
- Operational Compliance

- To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by Civil Aviation Authority audit reports
- Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events)
- Facilitate noise management meetings every 4 months in accordance with the Noise Management Plan
- Customer Satisfaction
 - Collect, document and act (where viable) on customer feedback forms to continuously monitor and improve the customer experience. Maintain a database to ensure recurring negative feedback is promptly acted upon

2019/20 Draft Statement of Intent

The Draft Statement of Intent outlines the proposed work plan for 2019/20 and the Board's accountabilities to the shareholder for corporate performance. The core purpose of WRAL is to enable air services to the region, to operate a first class, safe and compliant regional airport and to position itself to enhance capital value.

The objectives as outlined in the Draft Statement of Intent are to:

- Operate an efficient and compliant and resilient airport;
- Enhance the traveller experience;
- Maintain a viable aeronautical business;
- Maximise revenue diversification through non-aeronautical business opportunities.

Issues

The Draft Statement of Intent outlines the key strategic activities for the company and KPIs for the period. Council may wish to seek further clarification and explanation with aspects of the forecasts and discuss further with the Board prior to accepting the Statement of Intent.

Analysis

Options considered

Accept the Six Month Report and Statement of Intent as prepared by WRAL

OR

Provide feedback on the Six Month Report and Draft Statement of Intent relating to matters of concern to the Council.

Analysis of preferred option

There is no preferred option.

Legal and statutory requirements

The LGA 2002 requires a CCO to prepare and publish an annual statement of intent. The Statement of Intent must be agreed upon with the parent local authority. The local authority has

two months from receiving the proposed SOI, to respond to the CCO with feedback. Council received the WRAL SOI on 28 February 2019, and feedback is due back by 1 May 2019.

Consistency with the Long Term Plan / Annual Plan

Waikato Regional Airport Limited has performance measures outlined in the 2018-28 Long Term Plan. This report is consistent with the Long Term Plan.

Communication, consultation and decision making processes

A CCO is required to consult with its shareholders on its Draft Statement of Intent. This report seeks feedback from Matamata-Piako District Council, as one of the WRAL shareholders, on the WRAL Draft Statement of Intent.

Timeframes

Council is required to provide feedback on the Statement of Intent within two months of receiving it. This means that feedback on the WRAL Statement of Intent is due 1 May.

Contribution to Community Outcomes

Growth and development

Council will provide essential infrastructure to meet the needs of our community now and in the future.

Financial Impact

ii. Funding Source

The current and proposed activities of WRAL are fully funded by the participating local authorities, within existing budgets.

Attachments

- A. WRAL Half Year Report December 2018
- B. WRAL Statement of Intent 2019-2020

Signatories

Author(s)	Meghan Lancaster Committee Secretary	
Approved by	Niall Baker Senior Policy Planner	
	Don McLeod Chief Executive Officer	



WAIKATO REGIONAL AIRPORT LIMITED

INTERIM REPORT

For the six months ended 31 December 2018





RESULTS AT A GLANCE

Passenger Volume Growth of 13,000 / 7%	191,000
Aircraft Movements Unchanged from prior year	68,000
Operating Revenue Growth of \$474,000 / 11%	\$4,678,000
EBITDA Growth of \$152,000 / 10%	\$1,736,000
Net Surplus After Tax Growth of \$342,000 / 397%	\$429,000
Total Shareholder Funds Growth of \$3,151,000 / 4%	\$85,846,000

* growth is measured compared to the six months ended 31 December 2017



CHAIR'S REPORT

The Group's Directors and Management are pleased to report continued and significant growth across all areas of the WRAL Group including Hamilton Airport, the Titanium Park property development initiatives and Hamilton & Waikato Tourism as the regional tourism organisation for the Mighty Waikato. This has culminated in a \$429,000 after tax profit for the period. While this profit includes the effect of Titanium Park land sales, the underlying earnings of the Group reflected in EBITDA, which exclude land sales, have still grown by 10% on the same time last year.

Year to date

Airport

The Airport has continued to enjoy another period of sustained passenger growth, with airline customers up 7% on the same time last year, this coming on the back of 12% and 8% increases in previous periods. A pleasing aspect of the passenger growth has been the corresponding revenue growth with all major streams experiencing increases in the last six months. Passenger growth is reflected in our financial results by aeronautical charges received from airlines which are levied on a "per passenger basis" and additionally through carparking and concessionary income – a variable component built into many of the lease and rental agreements we have with tenants and service providers in and around the terminal precinct.

The Airport completed a much-needed extension of the terminal carpark and installation of new control equipment shortly before Christmas. Carparking revenue has increased by 14% on the same period last year, at almost twice the rate of passenger movements which are a key driver of carpark utilisation. This is without any change to our pricing structure. Global ride sharing service Uber also joined the list of transport options available to travellers and visitors to Hamilton Airport in the period.

Our capital program has also included an upgrade to the first of our three rescue fire fighting appliances, with the second appliance to commence its upgrade in the latter stages of the financial year. The upgrades ensure the Airport's emergency response services meets and exceeds the requirements for an Airport of our size.

During the reporting period, management have been working on plans to significantly refresh and upgrade the terminal building. To date our architect has provided a re-design of the interior of the terminal with the primary aim of upgrading the look and feel of the terminal to enhance the customer experience. In addition, we are taking the opportunity to review all elements of the terminal. To date we have received a componentry report addressing non-structural elements of the terminal; in summary the report indicates there is only minor work to remediate which will be completed when the terminal is upgraded mid-2019.

We have also had specialist aviation consultants review the terminal from a passenger flow perspective and that report has confirmed we have a well-designed terminal with sufficient latent capacity to handle the passenger forecast volume growth in our 10 year plans.

Finally we have also commissioned a report on the resilience of the terminal structure. The draft structural report is still with our engineers as they are also completing reports on other Airport buildings including the fire station. We expect a substantive update in March which will then inform the level of any required remediation. The company will then be in a position to brief the shareholders at our half year update, proposed to be early April 2019.

Our investment into growing our social media presence has meant we have become much more engaged with travelers and visitors to our airport. Feedback from this process is being incorporated into our plans for the terminal refresh and infrastructure upgrades to ensure our terminal remains responsive to changing customer demands. Social media has also allowed us to break down common misconceptions about flying out of Hamilton



by informing the local community, around airfare comparability with Auckland airport as well as the price of other relevant charges.

The terminal facilities continue to be well utilised as conferencing facilities. A number of Airport and Titanium Park tenants have taken the opportunity to hire these to give them short term additional space in close proximity to their current operations. In addition to the benefits they offer for visitors flying into the city, the facilities are proving popular with Waikato businesses due to their modern and vibrant feel, their unique location and outlook and the quality of the supporting services available in the terminal.

A major stream of work for the Airport operations team has been the re-certification approval by the Civil Aviation Authority. This is a five yearly process in addition to the routine ongoing audit and surveillance requirements, whereby the Airport must reapply for its Aerodrome Certificate. This certificate is required before the Airport can receive aircraft with more than 30 seats.

Activity around the Airport remained strong through winter with minimal fog disruptions and in August, the Airport received more flights diverted from other Airports due to bad weather than were lost due to local fog. Overall aircraft movements remain unchanged from the same period last year however the traditionally busier months unfold in the second half of the year, as late summer and autumn offer favourable months for flight training activity by the L3 Airline Academy.

The Group remains on track to achieve all operational KPIs set in the statement of intent and it is pleasing to once again report there have been no notifiable Health & Safety incidents involving Group personnel.

Property

We continue to receive very good levels of land sale inquiries. In response to the emerging demand for larger industrial lot sizes, the Southern Precinct has been introduced to the market. This is the first precinct development constructed by the Group itself, with all previous developments commenced under the former joint-venture with specialist property developers McConnell Group.

Of the 10 hectares on Southern precinct, over 4 hectares was under contract at 31 December 2018. Of these 4 hectares, 3 have been sold to a nationwide household brand name in the automotive industry, with the purchaser being unconditional and settlement due upon completion of the subdivision construction which is expected in the second half of the current financial year.

There have been three smaller lots sold on the Titanium Park Central Precinct as well, one having already settled by 31 December 2018. This sale is the only transaction reflected in the accompanying land sales figure in the half year financial statements as the Group recognises land sales as income on settlement, rather than on execution of a contract. The full year (to 30 June 2019) forecast is for 5 hectares of land sales, grossing revenue of \$7.1 million and yielding a margin of at least \$2.0 million.

Tourism

The first half of the year has seen Hamilton & Waikato Tourism expand its focus from business and events tourism to leisure and visitor tourism. This has culminated in the launch of a regional brand *"The Mighty Waikato: where the magic runs deep"* for use in both domestic and international campaigns.

The established business and major events tourism strategies continue to support the buoyant local market with a 60% increase in the level of inquiry received on the same time last year. The region has maintained its market share as the third largest multi-day business events hub in the country, which is a pleasing outcome as new facilities are emerging around the country providing increased competition. Visitor expenditure in the region is up 8% on the same time last year.

The significance of the growing influence Hamilton & Waikato Tourism is having in the local tourism industry to achieve is best reflected by the level of industry funding secured: at the half year period end, Hamilton & Waikato



Tourism have already exceeded their annual budget by some 20%. This is just one of several annual targets already achieved in the first six months of the June 2019 financial year.

Outlook for remainder of the year end beyond

The success of all three businesses in our group over the past six months have contributed to the double digit revenue and earnings growth compared to the same time last year. What the results do not however reflect is the significant milestones made in the foundation of several key strategic initiatives that will shape the future of the Group over the course of the next decade and beyond.

Airport

During the past twelve months the Airport has completed a consultation process with its major aviation customer Air New Zealand as part of the regulatory process to set its aeronautical charges for the coming three years through to December 2021. Aeronautical charges, which include landing charges applicable to all aircraft, small and large alike; and a terminal levy applicable for airline passengers were last revised in 2013 following the withdrawal of international air services.

The Group will begin to realise (approximately) an extra \$1.5 million per annum in revenue as a result of the revised charges, this being in addition to the organic growth expected from continued increases in passenger numbers passing through the terminal. These charges do not result in any increased operational costs to the Airport however they do obligate the Airport to invest in some specific capital projects which are not a significant departure from the existing 10 year plan. Charges at these levels now mean the Airport is on track to achieving a commercial scale return on its aeronautical assets.

Property

The second half of the June 2019 financial year will see the Group complete the purchase of the Hamilton Airport Hotel and Conference Centre. The buildings were acquired in January 2018 and continue to be leased back to the incumbent operator. At the time of authoring this report, the Group is in the final stages of signing an agreement with a nationally recognised operator to take over the hotel in mid-2019. To secure an operator of this calibre, WRAL has made a commitment to spend approximately \$4 million on a comprehensive refurbishment and upgrade, both internally and externally, that will see the Hotel brought up to a Qualmark 4 Star standard in keeping with the operator's brand standards and a level of investment that optimises our return on the property while best meeting the demand in the region for higher quality accommodation.

Titanium Park is reaching a tipping point in its long term strategy. The successes of the industrial park development and land sale model have been covered earlier in this report however the next step for Titanium Park is to move to being a property investor through design/build to lease opportunities. Levels of strong and positive inquiry continue to accelerate, including from some national and global brand names looking to establish themselves in the Waikato or move within the region to a future-proofed and central location.

Tourism

The second half of the year will see the wider scale roll out of the Mighty Waikato regional visitor brand identity. The organisation will continue its work as an advocate for investment in local tourism and as a central organisation in the local industry with advice and support being provided for new accommodation facilities and tourism experiences and operators.

Hamilton & Waikato Tourism are also assisting in supporting Provincial Growth Fund applications for local tourism businesses and expect this activity to increase in the second half of the current financial year.



Overview

At our last Annual General Meeting we presented our ten year strategic plan to shareholders. We are halfway through the first year of this, and have already met and actually exceeded a number of critical milestones set for the first two years across all aspects of Airport, Property and Tourism. The positive outlook for the remainder of the year and into the coming financial year further indicates that the key initiatives across the group are on track and we expect these will be executed successfully.

John Spencer
Chairman

Item 10.4

Attachment A



FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Revenue & Expense

For the six months ended 31 December 2018

	GROUP \$000	
	2018	2017
REVENUE		
Operating revenue	4,678	4,204
Land Sales	1,121	32
Other gains/(losses)	75	-
Total Revenue	5,874	4,236
EXPENSES		
Cost of land sales	812	41
Employee benefit expenses	1,191	1,134
Depreciation and amortisation expense	1,234	1,210
Operating expenses	1,633	1,347
Directors' fees	119	130
Finance costs	263	235
Total Expenses	5,252	4,097
Surplus Before Tax	622	139
Income tax expense	193	53
Surplus After Tax	429	86
Other Comprehensive Revenue		
Gain on property revaluation	-	-
Total Other Comprehensive Revenue and Expense	-	-
Total Comprehensive Revenue and Expense	429	86

The above results have not been audited.



FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

As at 31 December 2018

	GROUP \$000	
	2018	2017*
ASSETS		
Current Assets		
Cash and cash equivalents	56	77
Receivables	602	449
Inventories	95	95
Prepayments	82	77
Development property	9,220	9,345
Total Current Assets	10,055	10,043
Non-Current Assets		
Property, plant and equipment	74,477	76,571
Intangible assets	814	979
Investment property	21,503	15,307
Other non-current assets	60	69
Total Non-Current Assets	96,854	92,926
Total Assets	106,909	102,970
LIABILITIES		
Current Liabilities		
Payables and accruals	1,262	812
Employee benefit liabilities	230	238
Revenue in advance	137	195
Total Current Liabilities	1,629	1,245
Non-Current Liabilities		
Term loans	12,680	11,248
Deferred tax liabilities	7,326	7,783
Total Current Liabilities	20,006	19,031
Total Liabilities	21,635	20,276
Net Assets	85,274	82,694
Equity		
Share capital	14,860	14,860
Retained earnings	23,822	21,100
Dividend to shareholders	(250)	(200)
Other reserves	46,842	46,934
Total Equity	85,274	82,694

The above results have not been audited. The balance sheet as at 31 December 2017 has been restated in line with the adjustment referred to in Note 26 of the 30 June 2018 annual report.



PERFORMANCE REPORTING

Performance against Statement of Intent

For the six months ended 31 December 2018

MEASURES (all amounts \$000)	Actual 31 Dec 2018	Forecast 30 Jun 2019	SOI 30 Jun 2019
Earnings before interest, taxation & depreciation (EBITDA) excluding land sales	1,736	3,845	3,400
Net surplus/(deficit) after tax	429	1,340	127
Net operating cash flow	814	2,374	1,900
Net investing cash flow	(412)	(1,570)	(4,300)
Total debt	12,680	13,290	18,000
Total liabilities/shareholders' funds (debt/equity ratio)	25:75	26:74	35:65
Shareholders' funds to total assets	20:80	21:79	26:74
Percentage of non-landing charges revenue to total revenue	76%	80%	74%
Interest cover	6.60	6.25	4.00

The above results have not been audited.



CORPORATE DIRECTORY

For the six months ended 31 December 2018

Board of Directors	John Spencer CNZM (Chair) Annabel Cotton Carlos da Silva Margaret Devlin
Chief Executive	Mark Morgan
Chief Executive, Hamilton & Waikato Tourism	Jason Dawson
Group Finance & Corporate Services Manager	Scott Kendall
General Manager Operations	Simon Hollinger
Group Property Manager	Dion Merson
Commercial, Growth & Marketing Manager	Rebecca Corbett
Registered Office	Hamilton Airport Terminal Building Hamilton Airport Airport Road, R D 2 Hamilton 3282
Telephone	07 848 9027
E-mail	wral@hamiltonairport.co.nz
Auditors	Audit New Zealand, Tauranga on behalf of the Controller and Auditor-General
Solicitors	Ellice Tanner Hart, Hamilton
Bankers	Bank of New Zealand
Website address	www.hamiltonairport.co.nz



February 2019

Statement of Intent – 2019/2020
Waikato Regional Airport Limited



Hamilton Airport

1.0 Introduction

This statement is presented by the Directors in accordance with s.64 (1) of the Local Government Act 2002 and sets out the Board's intentions for the Company and Group for the year ending 30 June 2020 and succeeding two financial years.

2.0 Strategic Intent

The Group has identified its core purpose and key objectives that recognise the strategic intent of the business:

Core Purpose

1. Enabler of air services to the region.
2. Operate a first class, safe and compliant regional airport.
3. Strategic positioning of the business to enhance capital value.

Key Objectives of Waikato Regional Airport Limited

1. Operate an efficient, compliant and resilient airport.
2. Enhance the traveller experience.
3. Maintain a viable aeronautical business.
4. Maximise revenue diversification through non-aeronautical business opportunities.

Key Objectives of the Group *(incorporating Titanium Park Limited, Hamilton & Waikato Tourism Limited and a proposed new entity to operate the current Hamilton Airport Hotel & Conference Centre business)*

1. Operate an efficient, compliant, and resilient airport.
2. Enhance the traveller experience.
3. Maintain a viable aeronautical business.
4. Maximise revenue diversification through non-aeronautical business opportunities.
5. Develop and optimise the land holdings of the Group to generate a long-term property income from a diversified property portfolio.
6. Complete a major refurbishment of the Hotel facilities to achieve a Qualmark 4 star accreditation
7. To promote the Hamilton & Waikato region as an appealing destination to international and domestic visitors.
8. Deliver the regional major events strategy

Statement of Intent – 2019/2020
Waikato Regional Airport Limited



Hamilton Airport

3.0 In Pursuing its Goals the Group will:

- At all times behave in a professional and ethical manner in all its business dealings with its customers and stakeholders.
- Be an employer of choice.
- Ensure a safe and healthy work place environment that complies with government legislation.
- Identify and recognise Shareholders' expectations, within the bounds of corporate prudence.

4.0 Nature and Scope of Activities to be Undertaken

(4.1) Operate an efficient and compliant airport

Operate a safe, secure and compliant airport by providing for essential projects together with any compliance expenditure warranted.

(4.2) Enhance the traveller experience

Maximise traveller satisfaction and airport experience.

(4.3) Maintain a viable aeronautical business

Identify opportunities to develop new, and expand existing, domestic passenger services.

Promote development and growth of the general aviation sector.

Remain cognisant of the runway extension designation that will expire in 2026.

Position and protect the airport as an efficient, cost-effective international port of arrival for private, corporate and medical aircraft.

(4.4) Maximise revenue diversification through non-aeronautical business opportunities

Support the development of land within the bounds of a sound strategic approach to long-term planning for the airport precinct by its subsidiary Titanium Park Limited (TPL).

TPL will continue marketing for sale, development and optimised investment, all available surplus airport-owned land in a planned and co-ordinated approach.

Land sales and property development are always subject to volatility dependent on regional and national economic conditions. Therefore, this presents a degree of risk for the Group that will be carefully managed through the staged precinct developments of Titanium Park.

Complete the refurbishment of the Hamilton Airport Hotel & Conference Centre to a Qualmark 4 star standard

Deliver on the major events strategy to attract and secure additional major tourism events to the Waikato region and increase industry partnership investment into local tourism.

Statement of Intent – 2019/2020
Waikato Regional Airport Limited



(4.5) Ensure appropriate internal and external resource to enable a commercially driven and high performing organisation

Knowledgeable and capable, high performing and appropriately resourced management team to ensure sound reporting and accountability, and delivery of the strategic plan.

(4.6) Key capital and investment projects and initiatives for the year ending 30 June 2020

4.6.1 Complete an upgrade of the airport terminal to ensures the terminal meets all regulatory requirements, remains fit for purpose and responsive to growing domestic passenger traffic.

4.6.2 Development and improvement of roading and underground services infrastructure on the eastern side of the airport precinct to ensure the Group can continue to develop Titanium Park and the terminal is serviced by modern infrastructure that is optimal to forecasted needs.

4.6.3 Upgrade and refurbishment of the Airport Hotel and Conference Centre property to a Qualmark 4 Star standard.

4.6.4 Develop a masterplan for Titanium Park's proposed Northern Precinct development (current site of the WRAL Farm) and prepare a private plan change submission to Waipa District Council to future proof development options.

5.0 Performance Targets

The following annual performance targets are proposed for Waikato Regional Airport Limited in relation to its core purpose and key objectives.

Years ending 30 June	2020	2021	2022
5.1 Shareholders' funds to total assets <i>a minimum of</i>	65%	65%	65%

Definitions:

Shareholders' funds: Total assets less the total liabilities.

Total assets: The value of all assets reported in the Group's statement of financial position at the end of each reporting period.

	Year Ending 30 June		
	2020	2021	2022
Based on the Group forecasts			
5.2 .1 Earnings before interest, taxation & depreciation (EBITDA) but excluding land sales <i>of at least</i>	\$4,500,000	\$5,000,000	\$5,200,000
5.2.2 EBITDA including land sales <i>of at least</i>	\$5,500,000	\$5,000,000	\$6,500,000
5.3 Net profit after tax <i>of no less than</i>	\$1,200,000	\$1,200,000	\$1,200,000
5.4 Net operating cash flow (excluding land sales)	\$3,000,000	\$3,250,000	\$3,500,000

Statement of Intent – 2019/2020
Waikato Regional Airport Limited



Total debt, excluding funding for design-build properties, <i>not exceeding</i>	\$25,000,000	\$25,000,000	\$25,000,000
5.4 Total liabilities/shareholders' funds (debt/equity ratio) <i>a maximum of</i>	35:65	35:65	35:65
5.5 Net profit after tax to total shareholders funds	1.0%	1.0%	1.5%
5.6 Net profit after tax to total assets	1.3%	1.3%	1.7%
5.7 Percentage of non-landing charges revenue <i>of at least</i>	60%	60%	60%
5.8 Land sales <i>of at least</i>	\$2,500,000	\$600,000	\$4,000,000
5.9 Interest cover <i>of at least</i> (The interest cover measures the number of times the net profit before interest, tax and depreciation (EBITDA) covers interest paid on debt.)	4.0x	4.0x	4.0x
Non-financial performance targets			
5.10 Health, Safety & Well being			
5.10.1 Facilitate Health & Safety meetings every 2 months with representatives from each company department			
5.10.2 Zero Work Safe notifiable accidents/injuries			
5.10.3 Independently review and audit the Health and Safety system each year.			
5.11 Operational Compliance			
5.11.1 To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by Civil Aviation Authority audit reports			
5.11.2 Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events)			
5.11.3 Facilitate noise management meetings every 4 months in accordance with the Noise Management Plan			
5.12 Property (Titanium Park Limited)			
5.12.1 Finalise subdivision plans for the 4 th Stage of Titanium Park's Central Precinct			
5.12.2 Develop a masterplan for Titanium Park's Northern Precinct and prepare a private plan change submission to Waipa District Council.			
5.13 Tourism (Hamilton & Waikato Tourism Limited)			
5.13.1 Achieve 5% growth in visitor nights and visitor expenditure (as measured by key MBIE Tourism statistics)			

Statement of Intent – 2019/2020
Waikato Regional Airport Limited



Hamilton Airport

5.14 Hotel Operation

- 5.14.1 Complete a refurbishment program (both internally and externally) that will allow the hotel to be accredited to a Qualmark 4 Star standard.

6.0 Statement of Accounting Policies

The accounting policies adopted by the Group for the year ending 30 June 2020 and succeeding 2 years are those as adopted in the 2018 Annual Report prepared under Tier 2 of the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). The impact of accounting standards changes is not expected to have a material impact on the Group's financial statements or their comparability with previous periods.

7.0 Dividend Policy

WRAL Directors will review any proposal for payment of a dividend based on the forecast Cash Flow for the following year and propose to make a decision in the last quarter of the financial year ending 30 June 2020.

8.0 Information to be provided to Shareholders

- 8.1 The Annual Report of the Company and Group.
- 8.2 An Interim Report circulated to Shareholders each half-year including a Chair's Report, Consolidated Income Statement, Consolidated Balance Sheet and progress against Financial Performance Targets.
- 8.3 Shareholder Briefings held at least twice annually

9.0 Future Investment Proposals

If the Group wishes to subscribe for, purchase, or otherwise acquire shares in any other company or any other organisation it can do so only after first obtaining approval from the majority of shareholders at either a General Meeting or at a Special Meeting convened for that purpose.

10.0 Commercial Value of the Shareholders Investment

No valuation of shares has been completed.

The consolidated balance sheet of WRAL as at 30 June 2018 shows shareholder equity of \$84m based on recent independent valuations of the Group's property, plant and equipment and investment properties. The Group forecasts its 30 June 2020 shareholder equity on the same basis to be \$87m.

11.0 Compensation from Local Authorities

There are no known activities of the Company or Group for which the Directors would seek compensation from any local authority.

Statement of Intent – 2019/2020
Waikato Regional Airport Limited



Hamilton Airport

12.0 Major Transactions

Shareholders approve major transactions via a special resolution. A major transaction for WRAL is defined as:

- (a) the acquisition of, or an agreement to acquire (whether contingent or not), assets the value of which is more than 10% of the value of the Company's assets before the acquisition; or
- (b) the disposal of, or an agreement to dispose of (whether contingent or not), assets the value of which is more than 10% of the value of the Company's assets before the disposition; or
- (c) a transaction which has or is likely to have the effect of the Company acquiring rights or interests or incurring obligations or liabilities, the value of which is more than 10% of the value of the company's assets before the transaction;

Nothing in paragraph (c) of this definition applies by reason only of the Company giving, or entering into an agreement to give, a floating charge secured over assets of the Company the value of which is more than 10% of the value of the company's assets for the purpose of securing the repayment of money or the performance of an obligation.

13.0 Health and Safety & Wellbeing

The Board and Management will ensure that all requirements to the Health and Safety at Work Act 2015 are maintained. This will be achieved by the engagement of an independent consultant and audit processes to ensure the organisation and its subsidiary companies are maintaining compliant and best practise processes. At all times the Group will continue to monitor and review health and safety requirements via monthly reporting.

Hamilton & Waikato Tourism - Six Month Report 1 July to 31 December 2018

Trim No.: 2103962

Executive Summary

10.00am Jason Dawson, Chief Executive, Hamilton & Waikato Tourism Limited (HWTL) in attendance presenting on HWTL Six Month Report 1 July to 31 December 2018.

Attached to the agenda is HWTL Six Month Report, Schedule of Services 2018-19 and the Service Level Agreement 2018-2021.

Hamilton & Waikato Tourism (HWT) have seven performance targets which are set in the 'Schedule of Services for Local Government 2018-2019'. Results from 1 July to 31 December 2018 for performance targets: 5 achieved, 1 not achieved and 1 to be measured annually only.

Recommendation

That:

1. The information be received.

Content

Background

As part of its 2011/12 Annual Plan and subsequent 2012-22 Long Term Plan process, Council identified funding of \$100,000 per year for HWTL to undertake tourism initiatives for the benefit of the district. As part of its subsequent 2015-25 Long Term Plan process, Council increased its funding to \$150,000 per year for HWTL to undertake expanded services in the tourism area. This funding has continued to be provided every financial year since.

A Service Level Agreement was entered in to between Council, HWTL and the neighbouring councils to fund the initiative.

The Six Monthly Report relates to the schedule of services and key performance indicators to be achieved by HWTL under the current Service Level Agreement.

Analysis

Analysis of preferred option

That the information be received.

Legal and statutory requirements

The Six Monthly Report relates to the schedule of services and key performance indicators to be achieved by HWTL under the current Service Level Agreement.

Impact on policy and bylaws

There are no policy or bylaw implications.

Consistency with the Long Term Plan / Annual Plan

Council has allocated funding in each year of the Long Term Plan for 2018-28.

Impact on Significance and Engagement Policy

This matter is not considered significant.

Contribution to Community Outcomes

Our future planning enables sustainable growth in our District.

Financial Impact

i. Cost

Council's share of funding under the current Service Level Agreement is \$150,000.

ii. Funding Source

This is funded from the general rate.

Attachments

- A. Six Month Report 1 July to 30 December 2018-Hamilton & Waikato Tourism
- B. Schedule of Services 2018-2019 - HWTL
- C. Service Level Agreement 2018-2021 - HWTL

Signatories

Author(s)	Vicky Oosthoek Committee Secretary	
Approved by	Sandra Harris Acting Strategic Policy Manager	
	Don McLeod Chief Executive Officer	

Hamilton & Waikato TOURISM

Six Monthly Report to Matamata-Piako District Council 1 July – 31 December 2018

Executive Summary

Hamilton & Waikato Tourism (HWT) is the region's Regional Tourism Organisation (RTO) whose role is to generate competitive economic benefit through visitor sector strategies focused on increasing visitor length of stay and spend. HWT is funded through a public/private partnership with the region's seven local authorities and the tourism industry.

Recent data released by the Ministry for Business, Innovation and Employment (MBIE) show the region's visitor expenditure has climbed to \$1.560 billion for the 12 months ended December 2018, a 5% increase on the previous year. Hamilton and Waikato are the fifth largest region by expenditure behind Auckland, Christchurch, Queenstown and Wellington.

Currently international visitors contributed an estimated \$362 million to the region, while domestic spend delivered \$1.198 billion. Commercial guest nights are also growing with an estimated 1.4 million commercial guest nights in the region, which is the same as the previous year (0% change) (Commercial Accommodation Monitor: year ending December 2018).

Hamilton and Waikato is now the fourth largest region behind Auckland, Wellington and Christchurch for conventions, meetings and business events for the year ending September 2018. Our region has now secured an 10.4% market share of total events of this lucrative market.

Every conference we can secure for Hamilton and Waikato is significant for the region, regardless of the sector or size. Conference delegates are also influenced to return for a future holiday based on their positive Waikato experiences.

Two game-changer projects from the Tourism Opportunities Plan have been delivered during this reporting period.

The region's first Major Events Strategy was adopted in July 2018 with a focus to grow our current events to increase length of stay and expenditure, as well as attract new events to our region during our shoulder season.

Our regional visitor brand – 'The Mighty Waikato – where magic runs deep' was launched in December 2018 following two years of research, stakeholder consultation and development.

Performance targets

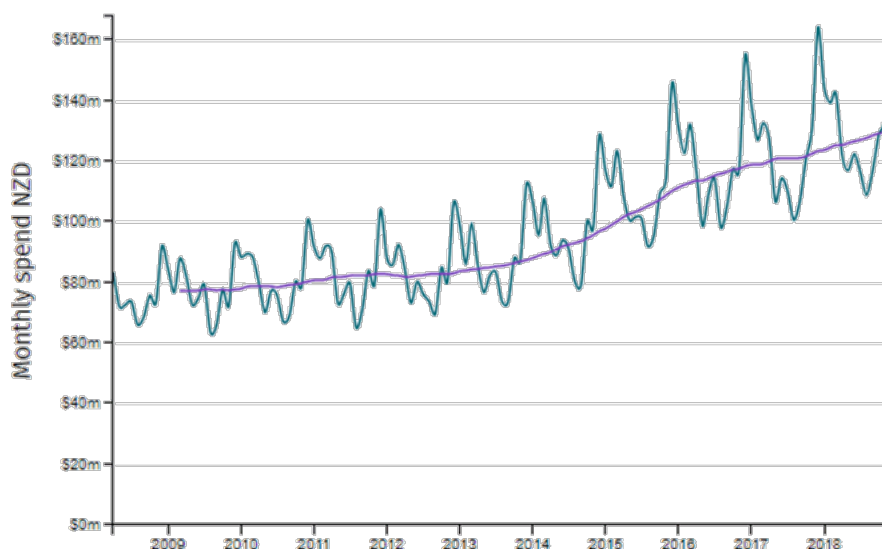
Hamilton & Waikato Tourism (HWT) have seven performance targets which are set in the 'Schedule of Services for Local Government 2018-2019'. Results from 1 July to 31 December 2018 are reported below.

Measure	Result
 Visitor nights 5% increase of total visitor nights' vs national	 0% for Hamilton & Waikato 2.3% national growth rate (Year ending December 2018)
 Visitor spend 5% increase in visitor spend across the region	 5% increase on previous year \$1.560 billion annual expenditure (Year ending December 2018)
 Conventions & business events Grow market share of business events from 9% to 10%	 10.4% market share Fourth largest region behind Auckland, Wellington and Christchurch (Year ending September 2018)
 Visitor awareness & perceptions Improve by 3 points, including Waikato residents	 To be completed This research is conducted in June 2019
 Website & social media: hamiltonwaikato.com 5% digital engagement on previous year	 11.60% 1 July – 31 December 2018
 Industry investment \$450,000 of industry contributions towards marketing activities	 \$291,392 international & domestic partnerships, trade show investment, famil in-kind contributions and visitor guide sales (Year ending December 2018)
 Return on investment Total visitor spend per dollar of HWT spend	 \$1,270 Visitor spend per dollar of council funding 1.16 Commercial guest nights per dollar of council funding (Year ending October 2018)

Visitor statistics and expenditure

Hamilton & Waikato Regional Tourism Organisation

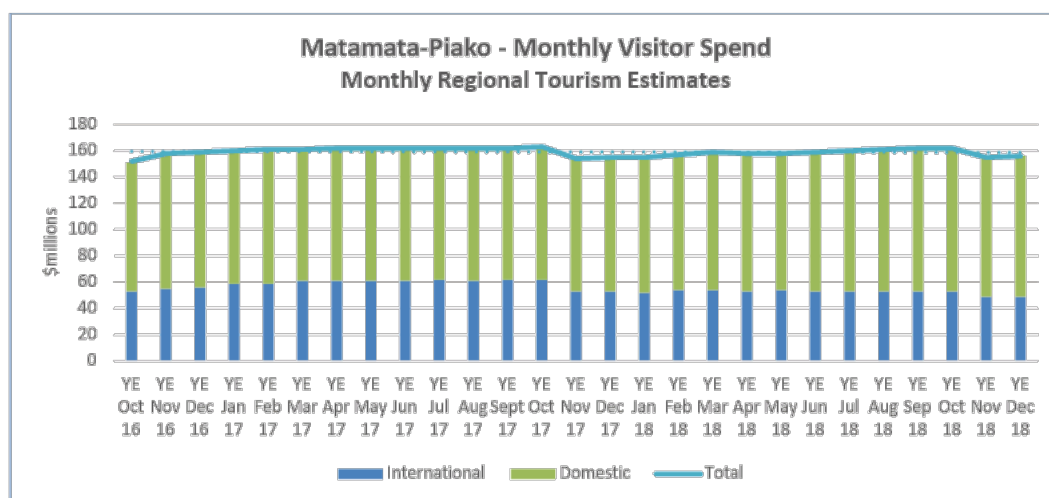
Historical monthly spending pattern



Source: Monthly Regional Tourism Estimates, MBIE (December 2018)

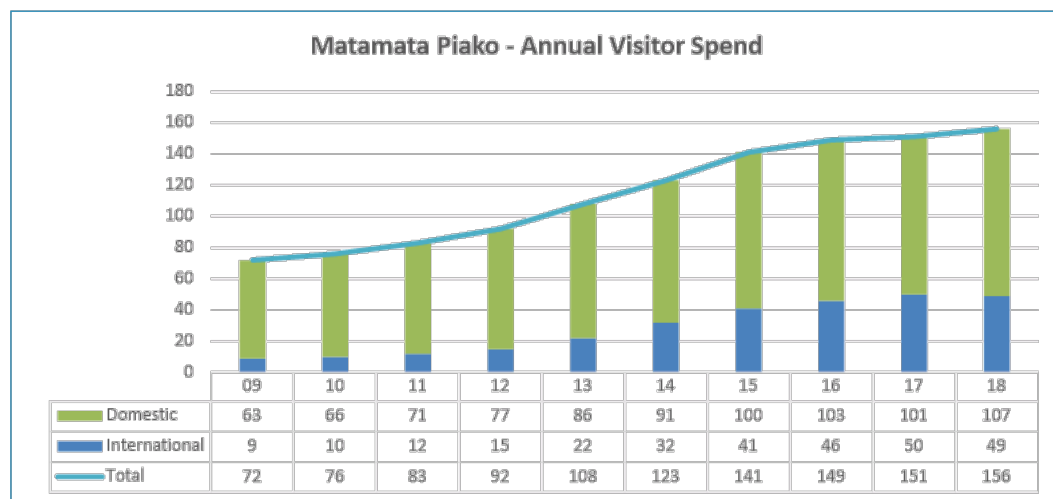
Visitor expenditure in Matamata-Piako

Visitor expenditure data is measured by the Ministry of Business, Innovation and Employment (MBIE) in the Monthly Regional Tourism Estimates (MRTE). The Monthly Regional Tourism Estimates provided by MBIE are only to be taken as 'estimates'. This data set is revised after each annual Tourism Satellite Account (a yearly reconciliation against actual spend) to reflect accurate visitor expenditure. This is why there are two 'dips' in monthly expenditure in November 2017 and November 2018.



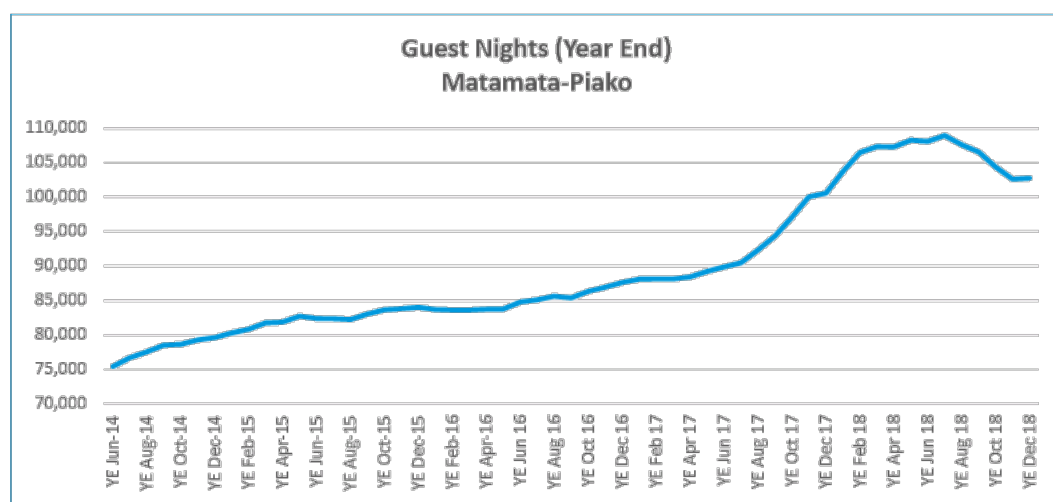
Source: Monthly Regional Tourism Estimates, MBIE (December 2018)

Overall annual visitor expenditure for Matamata Piako continues to rise, with a 3.2% total annual increase between December 2017 and December 2018.



Source: Monthly Regional Tourism Estimates, MBIE (December 2018)

Commercial guest nights (hotels, motels, backpackers & holiday parks) for Matamata Piako have slightly declined over the last four months. The latest statistics confirm 102,739 commercial guest nights for the year ending December 2018. The strong growth experienced during late 2017/early 2018 was unlikely to be sustained until new commercial accommodation is available.



Source: Commercial Accommodation Monitor, Stats NZ (December 2018)

In comparison, the impact of non-commercial accommodation options like AirBnB are starting to have an impact in Matamata-Piako. There are currently 130 properties listed on AirBnB across the district which has grown from 104 in May 2018 to 130 listed in December 2018. These properties experienced 76% occupancy during December 2018.

Trade & leisure marketing

Hamilton & Waikato Tourism partnered in 2018 again with Tourism NZ and our neighbouring upper and central North Island regions on a \$1.4m+ (NZD) consumer campaign targeting Australia's eastern seaboard. Taking place in July – August the campaign focussed on touring itineraries including the Waikato-featured Thermal Explorer and Volcanic Loop, along with must-do experiences and holiday deals from Air New Zealand and Flight Centre.

The first Short Escapes domestic campaign of the year took place in November and focussed on Spring and pre-Christmas travel to the region. The online campaign targeted our drive and fly markets of Auckland, Bay Of Plenty, Taranaki, Wellington and Christchurch and included some lightbox advertising at Christchurch Airport to promote the new additional Christchurch to Hamilton services as a co-op initiative between HWT, Hamilton Airport and Christchurch Airport.

HWT ran a mini 'Christmas Gift Guide' campaign in early December to promote vouchers for tourism operator partners' experiences and upcoming events as ideal Christmas gifts to Waikato residents. This was followed in late December by a Summer Explore Your Own Backyard campaign which aimed to encourage locals to explore the Waikato over the festive holiday season.

100,000 copies of the 2019 official Regional Visitor Guide were published in December 2018, featuring the new Mighty Waikato branding. Distributed nationally through i-SITEs and airports, national and international trade shows and conference delegate packs, the guide is a cost-neutral project with advertising sales funding production and distribution.

HWT continues to be an active partner in the central North Island international marketing alliance with Rotorua, Taupō, Coromandel, Bay of Plenty, Ruapehu and Hawke's Bay regional tourism organisations. Working together under the 'Explore Central North Island' (ECNI) umbrella the collective has undertaken several activities in the July-Dec period including securing an in-market representative in the UK and a joint-trade training mission in the USA and Canada.

Regional Visitor Brand Strategy

The new 'Mighty Waikato' regional consumer brand was launched in December. The Regional Visitor Brand Strategy project was one of five game-changers identified in the Hamilton & Waikato Tourism Opportunities Plan which was adopted in 2016. The need for a definitive brand and story for the region was required to inform how the area is perceived in the market and with locals; provide consistent messaging and set the region apart from other destinations.

Taking the key themes from the local and domestic perception research and the Waikato Story, the co-curated Mighty Waikato visitor brand has been developed by the tourism sector, local government, iwi, business and community representatives. Research was also undertaken in other parts of New Zealand to help address our domestic perceptions as an emerging visitor destination. The two-year project cost \$60,000 including research, stakeholder consultation and development.

Bringing together our key attributes around a sense of people and place, our brand story reflects who we are as a region and showcases the Waikato's unique visitor proposition. All consumer facing campaigns, channels and collateral features this new brand including our website. As part of this process we have also recently changed our website URL to be www.waikatonz.com to aligns with our Mighty Waikato brand. It also gives us the longevity we need from a destination web address, while also aligning us with other cities and regions in the country. Social media names and handles will follow suit shortly.

Marketing activity for Matamata-Piako District

A summary of specific trade and leisure marketing for Waitomo is detailed below.

Target market	Campaign or activity	Matamata-Piako experiences profiled
International consumer and travel trade - Australia	Jul-Aug 2018: Annual Tour the North Island Campaign (in partnership with Tourism NZ and upper and central North Island)	Hobbiton Movie Set, Journey Through Middle Earth luxury scenic helicopter trip, The Goldminers Cottage
Media – domestic & international	Media hosting and famils profiling MPDC: <ul style="list-style-type: none"> • AA Great Spots Campaign • Caio Castro – Social Influencer - Brazil • And She Xplores – Social Influencer - USA • International Hobbit Day Influencers • Erik Conover – Social Influencer – USA • You Deserve a Break – Broadcast – Singapore • Hey Davina – Social Influencer - USA • Taiwan Media Outlets • Viagens – Broadcast – Brazil • Readers Digest – Canada • Hijab Travelling – Broadcast – Indonesia • German Social Influencers 	Hobbiton Movie Set
Travel Trade – events	Sales calls to ITOs and wholesalers throughout the period	Internationally Trade-Ready Product: Hobbiton Movie Set, De Preaux Lodge, The Red Barn, Rural Tours, Hauraki Rail Trail

Target market	Campaign or activity	Matamata-Piako experiences profiled
Travel Trade – Famils	<p>Matamata Piako profiled in following trade famils:</p> <ul style="list-style-type: none"> • Damir Tomasevic- UK Roadshow Winner- Sept 2018 • TNZ Trade Influencer Famil – October 2018 • TNZ North American Premium Famil- Nov 2018 • TNZ 100% Pure NZSP Emirates UK Famil- Nov 2018 	Hobbiton Movie Set
Domestic – consumer	<p>Matamata-Piako District was profiled as part of regional promotions in the following publications:</p> <ul style="list-style-type: none"> • Outdoor Kid Magazine • All About Waikato • Go Travel Magazine • Waikato Times • Air New Zealand Regional Brand Toolkit • KiaOra Magazine – November 2018 • INSPO Magazine – December 2018 	Hobbiton Movie Set, Wairere Falls, Opal Hot Springs, Kaimai Cheese Company, Firth Tower Museum, Te Aroha Mineral Spas, Hauraki Rail Trail, Mt Te Aroha, Waiorongomai Valley, Mokena Geyser, Adrian Worsley
Domestic consumer – Auckland, Bay of Plenty & Taranaki, Wellington, Rotorua, Christchurch	‘Short Escapes’ campaign – October- November 18	Hobbiton Movie Set, Waiorongomai Valley, Wairere Falls, Mokena Geyser
Domestic consumer - Local, Hamilton & Waikato	‘Explore Your Own Backyard’ campaign, Dec 2018 -Jan 2019	Hauraki Rail Trail, Hobbiton Movie Set, Hobbiton Movie Set New Year’s Celebration, Wairere Falls, Mokena Geyser
Domestic consumer – Chinese New Zealanders	Ongoing campaign activity has continued through our Weibo social media channel, blogs, forums etc	Morrinsville, Te Aroha Mineral Spas, Mokena Geyser, Hauraki Rail Trail, Morrinsville River Walk, Hobbiton Movie Set

Target market	Campaign or activity	Matamata-Piako experiences profiled
Domestic & International consumer and trade	2019 Hamilton & Waikato Regional Visitor Guide	Matamata Piako profiled in 'Regional Highlights' section and featured in the 'Matamata', 'Morrinsville' & 'Te Aroha' sections. A number of Matamata Piako-based operators advertised in the guide.
Domestic & international consumer, travel trade and media	Quarterly e-newsletters are distributed to our consumer, trade and media databases	Hauraki Rail Trail, Hobbiton Movie Set, Hobbiton Movie Set New Year's Celebration, PGF Announcement, A Hobbit Christmas, Adventure Te Aroha
Domestic & International consumer	Matamata-Piako District profiled through HWT's various social profiles including Facebook, Instagram, Twitter & YouTube.	Herd of Cows in Morrinsville, Hobbiton Movie Set, Wairere Falls, Te Aroha Mineral Spas, Mt Te Aroha, Morrinsville River Walk, Hauraki Rail Trail, Diprose Miller Fireworks Extravaganza, Waiorongomai Valley, Te Tapui loop walk, Trail Trilogy, PGF Announcement, International Hobbit Day, Hobbiton Summer Solstice, Hobbiton New Year's Celebration

Conferences & Business Events

The Hamilton & Waikato region is now the fourth largest region behind Auckland, Wellington and Christchurch for conferences, meetings and business events for the period ending September 2018. Our region has secured 10.4% market share of total business events and 7.5% market share of delegate days.

Every conference we can secure for Hamilton and Waikato is significant for the region, regardless of the sector or size. Conference delegates are also influenced to return for a future holiday based on their positive Waikato experiences.

A delegate attending a business event is worth twice as much of a leisure traveller to the region, with an average delegate per night value of \$299 per night for international delegates and \$461 per night for domestic delegates.

Our main marketing engagement for the year, the Business Events Waikato Showcase, was held in August 2018. This was our third Business Events Showcase which had nearly 60 venues and suppliers from throughout the Waikato region exhibiting with more than 130 conference and business event organisers through the doors.

In November 2018, HWT hosted a multiday famil for 20 national buyers around our region. This famil showcased 26 partners of the HWT Convention Bureau.

Convention bureau activity for Matamata-Piako District

A summary of specific trade and conference marketing activity between 1 July to 31 December 2018 is detailed below.

Activity	Detail
Enquiries	93 total enquiries received and managed Matamata-Piako: <ul style="list-style-type: none"> • Leads: 2 • Recommendations: 1 • Basic assists: 3
Buyers Hosted	91 buyers hosted to the region.
Famils	19-22 November 2018: Annual multiday mega famil, attended by 20 buyers from Wellington, Auckland and Christchurch for three nights. Attendees included conference & event organisers, in-house & corporate meeting planners, association conference organisers 26 BEW (Business Event Waikato) Partners involved including 1 Matamata-Piako Partner
TNZ Famils	Five TNZ famils were delivered, hosting 51 International business event buyers. Famils to Hobbiton and Waitomo.
Bespoke Famils	Six bespoke famils organised. Hosting 20 buyers and visiting 45 venues across Waikato, including 1 Matamata-Piako BEW Partner
Trade Shows	<ul style="list-style-type: none"> • July 2018: Get Global, Sydney • August 2018: Third Hamilton & Waikato Business Events Showcase – 58 exhibiting BEW Partner companies, including 1 from Matamata-Piako. 133 buyers through the door. The Business Events Waikato Showcase is owned and organised by HWT • September 2018: Regional stand Australian Society of Association Executives (AuSAE) Link Conference, Auckland • December 2018: Exhibited with Tourism NZ at PCO Conference in Melbourne

Activity	Detail
Hosted Events	October 2018: Wellington function, attended by 42 guests. Co-hosted with seven BEW Partners including 1 Matamata-Piako partner
Sales Activity	<ul style="list-style-type: none"> October: Sales blitzes with Platinum & Gold BEW Partners – Wellington and Auckland December: Sales blitz with Platinum Partner - Christchurch.
Tourism NZ Activity	<ul style="list-style-type: none"> September 2018 - co-hosted table with Tourism NZ at The Kudos Awards
Partner Communication & Development	<ul style="list-style-type: none"> Tuesday 2 August: Sustainability breakfast for BEW Partners Tue 28 August: Incentive Workshop Partner EDM newsletters/updates x 4 Monthly lead reporting to Platinum & Gold Partners 76 BEW Partners. Matamata-Piako: 1 partner 38 Face-to-face BEW Partner meetings - includes mentoring & support. Matamata-Piako: 3 meetings, 1 partner
Communications & Media	<ul style="list-style-type: none"> Client newsletters x 2 (database over 2,500) Editorial x 24 Business Events Directory Website

INTERNATIONAL CONFERENCE BIDS – in conjunction with Tourism New Zealand's Conference Activity Programme (CAP)

Bidding for international conferences is a key activity of the Hamilton & Waikato Convention Bureau, with the support of the Conference Assistance Programme from Tourism New Zealand.

The following international conferences have been secured or pending a decision:

Status	Name	Date of Conference
Won	International Conference on Asian Digital Libraries -ICADL- 2018	19/11/2018
Won	Association of Australasian Engineering Educators - AAEE 2019	2018
Won	Native American Indigenous Studies Association Annual Conference	1/06/2019
Won	IEEE International Conference on Trust, Security and Privacy in Computing	1/08/2019
Won	International Conference on Polar and Alpine Microbiology -PAM	23/09/2019
Pending	Congress of the International Society of Limnology -SIL	2022
Pending	Int Conference on Tertiary Education Governance	2020
Bid submitted	World Indigenous Peoples Conference on Education -WIPSE	2020
Pending	ICAAIL International Conf on AI & Law	2022
Pending	IEEE International Conf on Industrial Technology	2022
Pending	Asia Pacific Tourism Conference	2020

Product development

Development that furthers the Hamilton & Waikato Tourism Opportunities Plan (adopted 2016) continues to be a focus based around the five game-changers:

1. Activating the Waikato River
2. Development of a Regional Visitor Brand Strategy
3. Support for the continued development of the Hamilton City Riverfront
4. Telling the Kiingitanga Story through Maori tourism development
5. Development of a Regional Major Events Strategy

We will shortly be undertaking a three-year review of the Plan to report on progress towards achieving our development goals and targets set for the region in 2016.

Activating tourism opportunities in Matamata-Piako

New opportunities, product development and events supported in Matamata-Piako over the last six months by Hamilton & Waikato Tourism include:

- PGF Application for Te Aroha's tourism feasibility projects
- Adventure Te Aroha
- Hauraki Rail Trail
- The Red Barn

To find download a copy of the Tourism Opportunities Plan:

www.hamiltonwaikato.com/TOP

Regional Major Events Strategy

In 2018, Hamilton & Waikato Tourism developed the region's first Major Events Strategy to ensure the spotlight continues to shine and grow on our region, as we work to develop a full calendar of events, especially outside of our peak summer period.

It is important to develop an events programme that smooths seasonal fluctuations in the visitor industry, providing increased, more reliable employment and greater returns to businesses.

We are very fortunate to have our biggest international, iconic anchor event in June, our quieter winter season. The annual New Zealand National Agricultural Fieldays is an event that attracted over 130,000 visitors in 2018, generated \$492 million in sales and contributed \$221 million to New Zealand's GDP.

Events like Fieldays not only generate significant economic impact for our region – it also contributes to cultural and social outcomes for our community.

The Regional Major Events Strategy builds on our successful track record of delivering star-studded international events by identifying gaps and opportunities for the attraction of new events while supporting the long-term growth of our current events.

With the growth and attraction of major events into the region, it also grows our reputation in the domestic market as an emerging visitor destination.

As part of activating the strategy, we now provide co-ordination and support for major event bids into the Waikato region. We have supported the following successful event bids over the previous six months:

- New Zealand's World Series of Darts – Claudelands (23-24 August 2019)
- International rugby – All Blacks v Tonga, FMG Waikato Stadium (7 September 2019)

We are continuing to seek external funding to fully activate the strategy, including a dedicated event bidding and development resource and a regional major event fund for seed funding, bids and feasibility studies.

Industry development

Regional visitor levies

2019 is shaping up to be the year where regional visitor levies becomes a hot topic of discussion, one where regional tourism agencies will be a prominent voice in support. All regional tourism organisations have formed a position advocating for a discussion on regional levies to alleviate the cost burden of provision for tourism on local councils and communities.

At its recent board meeting, our national advocacy body Tourism Industry Aotearoa (TIA), agreed to play a more active role by endeavouring to identify a new regional funding model that would be fair and equitable.

This is aligned with Local Government New Zealand's (LGNZ) view to undertake a significant piece of work to determine the issues around tourism provision, gaps, and causes and effects. This will help to inform the Productivity Commission report into local government funding.

As a sector, we remain united with LGNZ to ensure we will work together for the common goal with the potential to hold a national visitor levy symposium, in Wellington during 2019.

The Tiaki Promise

Seven key New Zealand organisations joined forces to conceive and develop *Tiaki – Care for New Zealand*, an initiative that actively encourages international and domestic travellers to act as guardians of Aotearoa. Tiaki is a powerful and diverse word in te reo Māori, meaning to care and protect, and to look after people and place.

Launched in November 2018 by Tourism Minister Hon Kelvin Davis, the seven organisations involved included Air New Zealand, the Department of Conservation, Local Government New Zealand, New Zealand Māori Tourism, Tourism Holdings Ltd, Tourism Industry Aotearoa and Tourism New Zealand.

The Tiaki Promise communicates why caring for New Zealand is important and how to care for Aotearoa while travelling around the country.

A range of Tiaki Promise materials are provided free of charge to all New Zealand tourism organisations, including a brochure and supporting video. The resources are initially available in English, Te Reo Māori, German and Chinese, with more languages to follow.

The seven stakeholder organisations will promote The Tiaki Promise to their customers, trade partners and staff, ensuring messaging is reinforced at visitor touchpoints across the country and around the world. Kiwis are able to show their support on social media using #tiakipromise.

Further future initiatives will be rolled out under the Tiaki – Care for New Zealand brand, including a responsible camping campaign planned for later this year. Find out more at www.tiakinewzealand.co.nz.

Provincial Growth Fund

The Provincial Growth Fund (PGF) continues to target investment to lift productivity, create jobs and provide economic benefits to communities.

Working with Matamata-Piako District Council and Te Waka, we were able to secure the first successful funding application of \$900,000 to complete a feasibility study for the activation of the Te Aroha Mineral Spas and the surrounding area. This project was identified in our Tourism Opportunities Plan 2016. We have provided a nomination for the Governance Group.

We are working closely with Te Waka to assess any future tourism opportunities for the Provincial Growth Fund.

Tourism Infrastructure Fund (TIF)

The Tourism Infrastructure Fund (TIF) will be maintained and remain separate from the PGF. During the previous two rounds, we supported the following successful Waikato councils funding applications:

- Matamata-Piako District Council (\$221,000 for Wairere Falls carpark);
- Waikato District Council (\$868,000 for new toilet and rubbish facilities at Raglan);
- Waipā District Council (\$250,000 for toilet facilities in Pirongia); and
- Hamilton City Council (\$220,00 for toilet facilities at Hamilton Gardens).

Round three of the Tourism Infrastructure Fund opens on 1 March 2019. We continue to work with our seven local councils to actively support and pursue any tourism infrastructure funding to help develop your local communities.

Conclusion

On behalf of the board and management of Hamilton & Waikato Tourism, we would like to thank Matamata-Piako District Council, our local government partners and the industry for their continued support. We are proud to help super-charge our regional visitor economy to deliver economic, social and cultural outcomes for our communities.

Jason Dawson
Chief Executive
Hamilton & Waikato Tourism
February 2018



Schedule of Services for Local Government 2018-19

Introduction

Hamilton & Waikato Tourism (HWT) is the region's Regional Tourism Organisation (RTO) whose role is to generate competitive economic benefit through visitor sector strategies focused on increasing visitor length of stay and spend.

This 'Schedule of Services for Local Government' details the main performance targets and activities to be delivered by Hamilton & Waikato Tourism (HWT) for its local government partners for the 2018-2019 financial year (1 July 2018 to 30 June 2019).

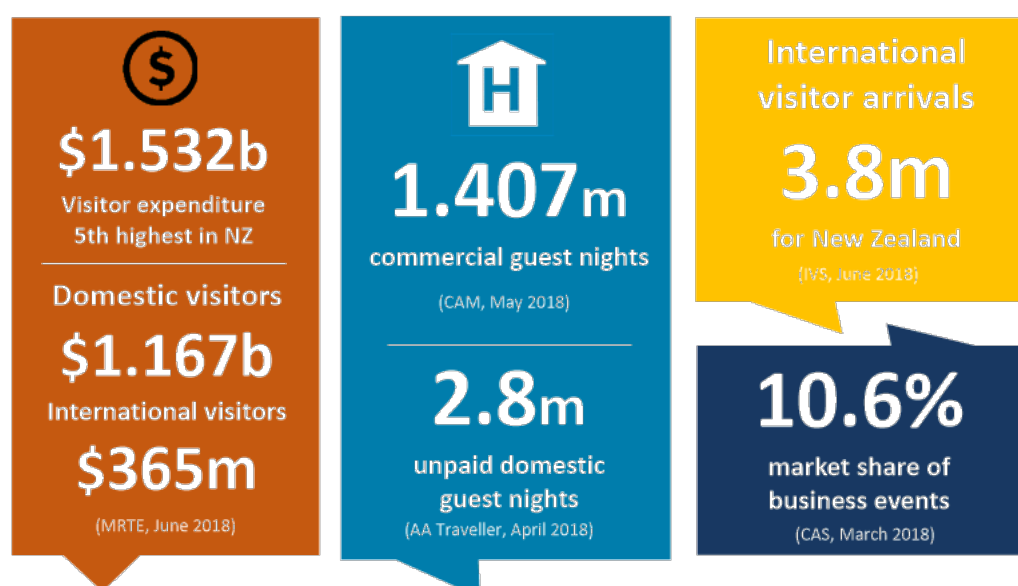
Growing the regional economy

New Zealand's tourism industry is experiencing exponential growth and is now the country's number one export earner contributing \$35.9 billion in visitor expenditure and employing 399,150 people. International visitor arrivals are also at its highest level ever, achieving 3.8 million annual visits at 30 June 2018.

The Hamilton and Waikato region has shared in this significant growth.

Data released by the Ministry for Business, Innovation and Employment (MBIE) show the region's visitor expenditure has climbed to \$1.532 billion for the 12 months ended June 2018, a 6% increase on the previous year.

Hamilton and Waikato have maintained its position as the fifth largest region by visitor expenditure behind Auckland, Christchurch, Queenstown and Wellington.



Statement of Services for Local Government 2018-2019

Page 1

Our funding

Hamilton & Waikato Tourism is funded through a public/private partnership with the region's seven local authorities and the tourism industry.

HWT will receive \$1,215,000 + CPI from local government which will be leveraged with another \$450,000 of increased investment from tourism operators and other stakeholders.








An overview of our local government partners and their funding contributions are detailed below:

- Hamilton City Council - \$585,000 + CPI per annum
- Matamata-Piako District Council - \$150,000
- Otorohanga District Council - \$60,000 + CPI per annum
- South Waikato District Council - \$60,000
- Waikato District Council - \$150,000
- Waipa District Council - \$150,000 + CPI per annum
- Waitomo District Council - \$60,000 + CPI per annum

Funding from each of our local government partners will be received in six monthly instalments and invoices issued by Hamilton & Waikato Tourism in July and December every year.

Our performance targets

Hamilton & Waikato Tourism (HWT) have agreed seven performance targets for 2018-2019.

Measure	Data source	Frequency
 Visitor nights 5% increase of total visitor nights vs national	Commercial Accommodation Monitor (MBIE)	Monthly / annually
 Visitor spend 5% increase in visitor spend across the region	Regional Tourism Estimates (MBIE)	Monthly / annually
 Conventions & business events Grow market share of business events from 9% to 10%	Convention Activity Survey (MBIE)	Quarterly / annually
 Visitor awareness & perceptions Improve favourability by 1 point (scale of 1-10), likelihood to promote region to others	Domestic RTO Favourability (AA Traveller)	Annually
 Social & Web: hamiltonwaikato.com 5% increase digital engagement on previous year	Google & Facebook Analytics	Annually
 Industry investment & grants \$450,000 of industry contributions towards marketing activities	Hamilton & Waikato Tourism accounts	Annually
 Return on investment 5% increase of total visitor spend per dollar of HWT spend	Regional Tourism Estimates (MBIE)	Annually



Reporting

Hamilton & Waikato Tourism will report twice a year to local government partners on its overall performance and activity deliverables for each district.

Report type	Reporting period	Reports to councils
Six monthly report	1 July to 31 December 2018	February - March 2019
Annual report	1 January to 30 June 2019	August - September 2019

Monthly reports on key statistics and data will be made available to council representatives.

Key activities

Hamilton & Waikato Tourism will undertake the following key activities during the 2018-19 year.

DESTINATION MARKETING

■ International marketing

Our international marketing activity is primarily undertaken in partnership with Tourism New Zealand and the collective of central North Island regions/RTOs known as Explore Central North Island (ENCI). This collaboration enables the region to leverage financial and people resources to greater effect in these highly competitive markets. HWT is responsible for supporting Tourism New Zealand's tourism trade, media and business events activity in our region. The overarching strategic objective is to secure at least one night in the Hamilton & Waikato region as an alternative to Auckland or Rotorua. Activity is centred on three key areas.

1. Australian campaigns
2. International trade famils and training
3. International media famils and hosting

■ Domestic marketing

What people know and how they feel about the region has a significant influence on their intention to visit. Building awareness, changing perceptions, and providing 'reasons to visit' is a key focus of Hamilton & Waikato Tourism. Engaging Waikato residents and developing stronger marketing strategies are two key strategic priorities aimed at improving our reputation.

Tactical strategies will include:

1. Continue 'Explore Your Own Backyard' campaign targeting local residents and increased PR activity.
2. External campaigns based on the region's core strengths such as walking, cycling, nature-based experiences, including support and leveraging of key events and high-performance sport (eg. Rugby Sevens).
3. Introduce a set of themed "journeys" as outlined in the Tourism Opportunities Plan.
4. Refreshed 'Short Escapes' domestic campaigns in key 'drive and fly' markets utilising the recently completed domestic research to enable a more targeted and effective approach.

Domestic promotional activity will be undertaken with partnership investment from tourism operators.



▪ **Convention Bureau (business events)**

The Business Events sector (Meetings, Incentives, Conferences and Exhibitions – MICE) is a key element of the Hamilton & Waikato business strategy. Business delegates are high spending visitors with an estimated expenditure averaging \$299 per night for international delegates and \$461 per night for domestic delegates (MBIE Convention Activity Survey). This is significantly higher than both international and domestic leisure visitors. The region is now the third largest business events destination in the country, behind Auckland and Wellington.

The benefits of business events flow well beyond the conference or meeting and include pre- and post-activities, off-site events (team building/dinners), transport, accommodation, food and beverage, technical support, etc. Business events are also effective in bringing people to a region in the first instance and contribute to our objective of improving perceptions, generating positive word of mouth and repeat visitation. They also bring people together to exchange knowledge and ideas, build relationships and in the longer term enhance investment and talent flows, all critical drivers of economic growth and prosperity for the Waikato.

Key activities will include:

1. Collaborate with Tourism New Zealand to attract international conferences to Waikato
2. Develop relationships with key business sectors to leverage value
3. Deliver a 'Business Events Showcase' for Waikato
4. Co-ordinate domestic & Australian buyer famils, media famils and hosting
5. Attend and promote region at key trade shows

▪ **Digital marketing**

Digital channels are widely used to research, plan and book travel. Digital marketing allows targeted messages to be delivered to specific market segments at a much lower cost than traditional mediums.

Hamilton & Waikato Tourism manages a range of digital platforms. Hamiltonwaikato.com is the primary portal for Waikato enquiries and "call to action" for our marketing and promotional activities, supported by social media and newzealand.com.

Key activities will include:

1. Provide relevant and engaging content on hamiltonwaikato.com and social media
2. Ensure all digital content is optimised for mobile, desktop & key visitor languages
3. Provide comprehensive digital content on tourism operators, attractions, events, the seven districts and key sectors (eg. cycling, food tourism, sports tourism, etc)

DESTINATION MANAGEMENT

▪ **Industry and product development**

Our region's long-term success as a destination depends on its ability to achieve critical mass of high quality visitor infrastructure and compelling experiences and products. This will be achieved through the expansion of new experiences that leverage our region's competitive advantages.

A key focus for 2018-19 is the continued implementation of the Tourism Opportunities Plan (TOP) to support future opportunities for development across the region. The TOP sets the direction and priorities for our destination management and development work over the next three to five years.



We will continue to work alongside the public and private sectors to facilitate and progress the key development opportunities, including the five game-changers:

1. Regional Brand Strategy (lead)
2. Regional Events Strategy (lead)
3. Kingiitanga (support)
4. Hamilton City Riverfront (support)
5. Activate the Waikato River (support)

Other key activities within industry and product development include:

1. Co-funding research and feasibility studies
2. Facilitate product development within current and emerging sectors such as agri-tourism, sports tourism, etc

▪ **Stakeholder relationships**

Local government and central government agencies (eg. Department of Conservation) have a critical role to play in the growth and development of the visitor sector. Our region's local government partners collectively have significant influence over many of the environments that visitors spend time in (demand side perspective), and also develop and enforce the planning and regulatory frameworks that tourism operators must comply with (supply side perspective). Public sector support is therefore a critical success factor for the growth and development of the tourism industry in the region.

The region's city and six districts have supported Hamilton & Waikato Tourism since its inception in 2011 and provided additional funding to enable the organisation to increase its current activities, as well as expand its scope into product development. It is through this collaborative approach that Hamilton & Waikato Tourism are able to generate significant investment from tourism operators to further leverage local government's investment with a strong and successful public/private partnership.

We will continue to manage key stakeholder relationships and provide broader support to the visitor sector through the following key activities:

1. Organise or attend business and tourism cluster groups
2. Regular dissemination of relevant information and research
3. Facilitate opportunities for operator networking and development, including two annual Industry Symposia and development workshops
4. Support for external and Government funding for tourism infrastructure and product development



**Service Level Agreement
for
Regional Tourism Services**

Service Level Agreement

DATED the day of 2018

BETWEEN **HAMILTON & WAIKATO TOURISM LIMITED** at Hamilton
("HWT")

AND **HAMILTON CITY COUNCIL** a body corporate duly incorporated under
the Local Government Act 2002

AND **WAIKATO DISTRICT COUNCIL** a body corporate duly incorporated
under the Local Government Act 2002

AND **WAIKATO DISTRICT COUNCIL** a body corporate duly incorporated
under the Local Government Act 2002

AND **WAIPA DISTRICT COUNCIL** a body corporate duly incorporated
under the Local Government Act 2002

AND **MATAMATA-PIAKO DISTRICT COUNCIL** a body corporate duly
incorporated under the Local Government Act 2002

AND **OTOROHANGA DISTRICT COUNCIL** a body corporate duly
incorporated under the Local Government Act 2002

AND **SOUTH WAIKATO DISTRICT COUNCIL** a body corporate duly
incorporated under the Local Government Act 2002

AND **WAITOMO DISTRICT COUNCIL** a body corporate duly incorporated
under the Local Government Act 2002

(together the "Local Authorities")

BACKGROUND:

- A. Hamilton & Waikato Tourism Limited (HWT) was established from 1 July 2011 as the region's Regional Tourism Organisation (RTO). The role of HWT is to generate competitive economic benefit through regional tourism marketing, visitor sector strategies and development activities focused on increasing visitor length of stay and spend for the Hamilton & Waikato region. For the purpose of this Agreement, the Hamilton and Waikato region encompasses the local authorities that are a party to this Agreement.
- B. HWT is a 100% owned subsidiary of Waikato Regional Airport Ltd (WRAL).
- C. An independent board of directors was appointed in July 2011 based on their skills and experience and ability to represent the interests of the region and strategic direction of HWT. The directors are appointed by WRAL and rotate every three (3) years.

- D. The Local Authorities wish to join together to contract tourism services for the benefit of the Hamilton & Waikato region. The Local Authorities have agreed that HWT is the appropriate organisation to provide such tourism services and the parties have agreed that HWT will undertake Regional Tourism Services on the terms and conditions set out in this Service Level Agreement.

THE PARTIES AGREE as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"Key Objectives"	means the key objectives of the Regional Tourism Services as set out in the Schedule of Services.
"KPIs"	means the Key Performance Indicators as set out in the Schedule of Services which are to be achieved by HWT.
"Local Authorities Representative"	means the person or persons specified in clause 9.1 or any person or persons appointed by the Local Authorities in substitution.
"Deliverables"	means the outputs to be delivered by HWT in performing the Regional Tourism Services.
"Regional Tourism Services"	means the services detailed in the Schedule of Services which are to be provided by HWT pursuant to this Agreement.
"Schedule of Services"	means the schedule of services delivered to the Local Authorities pursuant to clause 5.5(b). For the period 1 July 2018 to 30 June 2019 the schedule of services shall mean the schedule attached to this Agreement marked "Schedule 1".
"Term"	means the term specified in clause 3.1.
"HWT Representative"	means the person or persons specified in clause 9.1 or any person or persons appointed by HWT in substitution.

1.2 **Interpretation**

In this Agreement:

- (a) the benefits and burdens shall be binding upon the parties and their respective employees, duly authorised agents, executors, administrators, successors and assigns.
- (b) words importing one gender include the other gender and words importing the singular number include the plural and vice versa.
- (c) where obligations bind more than one person those obligations shall bind those persons jointly and severally.
- (d) clause headings are inserted for reference only and shall not affect the interpretation of this Agreement.

2. **GENERAL**

2.1 The general description of the services to be provided by HWT is as follows:

- (a) To promote and develop the Hamilton & Waikato Region as an attractive visitor destination to international and domestic visitors in order to grow visitor expenditure in the region to provide sustainable economic, environmental, social and cultural benefits to local communities.

2.2 HWT agrees that it is its general intention to provide and perform the Regional Tourism Services in an efficient, effective and economic manner, so that such services contribute to the Local Authorities objectives in respect to tourism and contribute to desired community outcomes.

2.3 Any notice requiring to be served under this Agreement shall be sufficiently served if delivered to or sent by registered post to a party at its usual postal address.

3. **TERM**

3.1 This Agreement shall commence on the 1st day of July 2018 and shall continue for a period of three (3) years.

4. **PROVISION OF SERVICES**

4.1 HWT will:

- (a) provide the Regional Tourism Services as detailed in the Schedule of Services;
 - (i) outline the activities to be undertaken for the next financial year;
 - (ii) focus on achieving the Key Objectives, Deliverables and KPIs as set out in the Schedule of Services;

- (b) liaise with the Local Authorities in respect to the provisions of the Regional Tourism Services; and
- (c) report to the Local Authorities in writing every six (6) months in respect to:
 - (i) HWT's performance of the Regional Tourism Services;
 - (ii) HWT's delivery of the Deliverables;
 - (iii) HWT's achievement of KPIs; and
 - (iv) Current or anticipated issues.

5. REVIEW OF SCHEDULE OF SERVICES

- 5.1 Pursuant to clause 10.1(a) HWT is to call at least two meetings every year.
- 5.2 One of those meetings is to be held in March every year.
- 5.3 At least one week prior to the March meeting HWT must deliver to the Local Authorities a draft Schedule of Services for the next financial year.
- 5.4 At the meeting HWT will provide an overview of the draft Schedule of Services.
- 5.5 HWT must:
 - (a) consider any comments on the draft Schedule of Services that are made to it by the Local Authorities or by any of them within one (1) month of the date of the meeting; and
 - (b) deliver the completed Schedule of Services to the Local Authorities on or before 30 June each year.

6. PAYMENTS

- 6.1 In consideration of HWT providing the Regional Tourism Services, the Local Authorities shall pay:

\$1,215,000 + CPI for the period 1 July 2018 to 30 June 2019*
 \$1,215,000 + CPI for the period 1 July 2019 to 30 June 2020*
 \$1,215,000 + CPI for the period 1 July 2020 to 30 June 2021*

***Note:** The adopted 2014 Visitor Strategy for Hamilton & Waikato recommended an increase in local authority funding to \$1.8million in 2018/2019.

- 6.2 The Local Authorities shall pay the amounts in the following proportions:

(a) Hamilton City Council	\$585,000 + CPI per annum
(b) Waikato District Council	\$150,000
(c) Waipa District Council	\$150,000 + CPI per annum
(d) Matamata-Piako District Council	\$150,000
(e) Otorohanga District Council	\$60,000 + CPI per annum
(f) Waitomo District Council	\$60,000 + CPI per annum
(g) South Waikato District Council	\$60,000

- 6.3 The above amounts shall be payable in two equal instalments. i.e. 50% on 20 July and 50% on 20 January each year. If any Local Authority fails to pay its share of funding, the remaining Local Authorities shall be under no obligation to pay more than the proportion set out above.
- 6.4 Notwithstanding any other provision of this Agreement, each Local Authority may review its funding commitment on an annual basis. If any Local Authority wishes to withdraw from its purchase commitment prior to 30 June 2018 then:
- (a) the Local Authority concerned must act reasonably and must undertake prior consultation with HWT and the other Local Authorities; and
 - (b) the parties shall review and amend the terms of this Agreement to reduce the obligations on HWT so as to reflect any reduction in funding.
7. **VARIATION OF SERVICES**
- 7.1 If the parties wish to vary the service requirements and/or performance measures required pursuant to this Agreement then any such variation will be subject to the mutual agreement of the parties which must be recorded in writing.
8. **PERFORMANCE ISSUES**
- 8.1 If at any time HWT fails to deliver the Deliverables and/or achieve the KPIs then the Local Authorities may by notice in writing require HWT to meet to review performance.
- 8.2 The parties agree that they will work together in good faith to resolve any issues that may arise out of any meeting called pursuant to clause 8.1 above, having regard to the intention of the parties when entering this Agreement.
9. **DISPUTE RESOLUTION**
- 9.1 HWT and the Local Authorities shall cooperate in good faith to resolve any dispute concerning this Agreement and, in the first instance, shall endeavour to resolve any dispute by negotiation.
- 9.2 In the event that the parties are unable to resolve the dispute by negotiation, they may engage a mutually acceptable mediator to assist them in resolving the dispute.
- 9.3 In the event that the parties are unable to resolve any dispute by mediation, they agree to refer the matter to arbitration by a single arbitrator in terms of the Arbitration Act 1996.
10. **LOCAL AUTHORITY REPRESENTATIVE COMMITTEE**
- 10.1 A local authority representative committee ("the Committee") shall be established and each of the Local Authorities will be represented by one person nominated by each Local Authority. HWT shall be represented by its Chief Executive Officer.

- (a) HWT will call a meeting of the parties twice a year, or more frequently if required by any party;
- (b) The parties will meet to discuss the progress against the KPIs set out in the Schedule of Services;
- (c) The representatives will be entitled participate in the any dispute resolution process as set out in clause 9;

11. COUNTERPARTS

- 11.1 This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, but all of which together are to constitute a single instrument.

EXECUTION

SIGNED by)
HAMILTON & WAIKATO TOURISM)
LIMITED by:)

_____ Chief Executive

_____ Director / Chairman

SIGNED by)
HAMILTON CITY COUNCIL by:)
)

_____ Mayor

_____ Chief Executive

SIGNED by)
WAIKATO DISTRICT COUNCIL)
by:)

_____ Mayor

_____ Chief Executive

SIGNED by)
WAIPA DISTRICT COUNCIL)
by:)

Mayor

Chief Executive

SIGNED by)
MATAMATA PIAKO DISTRICT COUNCIL)
by:)

Mayor

Chief Executive

SIGNED by)
OTOROHANGA DISTRICT COUNCIL)
by:)

Mayor

Chief Executive

SIGNED)
WAITOMO DISTRICT COUNCIL)
by:)

Mayor

Chief Executive

SIGNED by)
SOUTH WAIKATO DISTRICT COUNCIL)
by:)

_____ Mayor

Hauraki Rail Trail Update

Trim No.: 2116620

Executive Summary

Diane Drummond, General Manager, Hauraki Rail Trail Charitable Trust will be in attendance at 10:30am to present on the Hauraki Rail Trail.

Recommendation

That:

1. The information be received.

Attachments

There are no attachments for this report.

Signatories

Author(s)	Meghan Lancaster Committee Secretary	
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Approved by	Don McLeod Chief Executive Officer	
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Rubbish Bag Fees for 2019/20

Trim No.: 2116272

Executive Summary

On 5 December 2018 Council approved the Fees and Charges 2019/20 for consultation. The only outstanding fee that was awaiting Council consideration is the proposed fee for rubbish bags as we were awaiting further information regarding bag sales to make an up to date and informed decision.

The current fee of \$2.00 per bag was set using an estimate of our 9,844 rubbish collection customers purchasing approximately 460,000 bags, (47 bags each on average over the year).

Sales volumes after the first seven months are well below budget, however we are anticipating sales will increase in the latter half of the financial year as any stocks held by customers are used up.

We acknowledge that it is very difficult to estimate the number of bags we will sell moving forward and therefore it is difficult to advise on an increase in price needed (if any) at this stage for 2019/20 in order to meet the budgeted revenue from bag sales.

For this reason, Council indicated at a workshop on the 27 of February 2019 it wished to retain the current retail price for rubbish bags at two dollars (\$2.00) for the purpose of consultation on the Draft 2019/20 Fees and Charges. Council also expressed that they wish staff to include a provision that the price may be reviewed by December 2019 when more established sales data will be available.

Recommendation

That:

1. Council receive the information.
2. Council propose to retain the current retail price for rubbish bags at two dollars (\$2.00) per bag for the purpose of consultation on the Draft 2019/20 Fees and Charges, but include a provision that the price may be reviewed by December 2019 when more established sales data will be available.

Content

Background

On 5 December 2018 Council approved the Fees and Charges 2019/20 for consultation. The only outstanding fee that was awaiting Council consideration is the proposed fee for rubbish bags as we were awaiting further information regarding bag sales to make an up to date and informed decision.

In 2017 and 2018 we consulted on changing the rubbish bag distribution from being charged as a targeted rate and distributed to those applicable ratepayers, to being a user pay system i.e. people can buy the number of rubbish bags they need from supermarkets and retailers. A key driver of the change was to bring about a positive change in behaviour towards waste minimisation. The system changed from 1 July 2018 so has been in place for approximately 7-8 months.

Issues

The current fee of \$2.00 per bag was set using an estimate of our 9,844 rubbish collection customers purchasing approximately 460,000 bags, (47 bags each on average over the year).

From the 1 July 2018 - 31 January 2019 (7 months) we have sold just 142,000 bags (14 bags each). We had however anticipated selling less bags at the beginning of the financial year due to people using up any remaining bags they had left over from the previous system and anticipated sales increasing in the latter half of the financial year. Also the impact that the new system may have on customer's behaviour, and therefore bag sales, is unknown.

Based on sales to date and the anticipated uplift in the second half of the year we are tentatively estimating total annual sales of 355,000 bags by 30 June 2019 (36 bags each). The total sales budget for the year was \$701,000, so this projection would result in a deficit of \$154,000 for the current financial year (2018/19).

As we are still mid-way through our first year of this system it is very difficult to estimate the number of bags we will sell moving forward and therefore it is difficult to advise on an increase in price needed (if any) at this stage for next year.

For 2019/20, we have budgeted a revenue from the sale of rubbish bags of \$853,000. Assuming an increase in users to 9,958 for next year (which incorporates the average increase over the last 3 years), the table below shows how we may fall short or exceed this budget, using a range of estimated sales volumes and at a range of retail prices.

Impact on 2019/20 bag sales budget at a range of retail prices and sales volumes

Price per bag (inc GST and retail margin)	Sales volume per estimated number of targeted ratepayers (9,958 users) for 2019/20		
	36 bags	43 bags	55 bags
\$2.00	(\$296,000)	(\$188,000)	(\$2,000)
\$2.50	(\$140,000)	\$1,000	\$236,000
\$3.00	\$15,000	\$185,000	\$474,000

Volume of total waste

The table below shows the total waste recycled, total refuse and the combined diversion percentage for the last 3 years at the relative six-month (1 July – 31 December) mark as well as the current financial year at the six-month mark.

	15/16	16/17	17/18	18/19
Combined Total recycle (MT)	1,292.63	1173.563	1,172.40	793.38
Combined Total refuse (MT)	1215.26	1320.821	1,289.67	1,421.75
Combined Diversion %	51.54%	47.04%	47.62%	35.82%

The significant changes in 2018/19 were due to China's blue-sky policy that dramatically changed the face of recycling in 2017/18. Commodity prices for items 3-7 became non-existing so recycling tonnages dropped while refuse tonnages increased. While the market diversifies, there will be erratic changes, as Smart Environmental will be testing the market to look for the best commodity prices for its products. Therefore, the diversion rate will fluctuate.

The table below shows the total rated properties that can receive rubbish collection services.

	16/17	17/18	18/19 (as of Jan 2019)
Rated properties	9,379	9,478	9,525

The number of rated properties that are included within the rubbish pick up service is increasing which correlates to the total refuse tonnage produced/collected, which has also increased.

Other Councils:

Thames-Coromandel and Hauraki currently charge \$2.50, and \$2.20 per bag respectively. Thames-Coromandel had a sales volume last year of approximately 30 bags per ratepayer, however caution must be taken as they have a high non-resident population compared to our own district, so we would assume our sales volume will exceed this level in coming years. Hauraki had a sales volume of approximately 38 bags per ratepayer last year which may be a closer comparison in term of population, noting however that the district does have a smaller non-resident population in the coastal areas of Whiritoa and Kaiaua.

Risks:

In our 2019/20 Draft Annual Plan we have budgeted to balance the budget with a revenue from the sale of rubbish bags of \$853,000. The table above shows that, at the current retail price of \$2.00, there is a risk that, should bag sales not reach approximately 548,000 bags for the year that we could fall short of this budget, resulting in the underfunding of this activity. As discussed there are a lot of factors that make estimating future sales difficult. As such, Council should look to review and make provision to revise the retail price of the bags half way through the financial year (as more sales data becomes available) to minimise the impact of any significant funding shortfall.

In addition, to the risk around bag sale volumes, we note also that our 2019/20 budget for rubbish collection expenses is based on current costs, and the contractor is currently requesting additional charges to allow the operation to be sustainable given the state of recycling and other matters. We also note a current deficit in transfer station fees which as at 31 December 2018 was approximately \$84,000.

Analysis

Options considered

A range of alternative retail prices of rubbish bags and the potential impact on the achievement of the bag sales revenue budget are presented in the table on page 2.

Analysis of preferred option

From a workshop held on the 27 February 2019, Council indicated to leave the rubbish bag retail price at \$2 for the purpose of consultation for the 2019/20 fees and charges document. Council have indicated they wish to re-visit the rubbish bag price by December 2019 when more bag sale data is available.

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 Annual Plan 2019/20 budgets (specifically the revenue from fees and charges for affected activities) has been forecast based on the level of proposed fees and charges including rubbish bag fees.

Impact on Significance and Engagement Policy

There is no impact in terms of Council's Significance and Engagement Policy.

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

There are no attachments for this report.

Signatories

Author(s)	Rebecca Shaw Graduate Policy Planner	
Approved by	Niall Baker Senior Policy Planner	
	Don McLeod Chief Executive Officer	

Thames Valley Emergency Operating Area Review 2019

Trim No.: 2113801

Executive Summary

Recent changes in TVEOA (Thames Valley Emergency Operating Area) staffing and national direction for the future of CDEM (Civil Defence Emergency Management) make it timely for a review to ensure that Council's statutory requirements, under the Civil Defence Emergency Management Act 2002 and 2016 Amendments are being met.

This 2019 review of the long serving TVEOA CDEM model considers if it delivers current best practice to the communities of the three councils (Hauraki, Matamata-Piako and Thames-Coromandel Districts) OR if other options should be considered.

The timing also recognises the recent 'Delivering Better Responses to Natural Disasters and Other Emergencies' - Government response to the Technical Advisory Groups recommendations August 2018 report, which seeks to clarify the roles and responsibilities of local authorities and central government agencies.

The TVCDEM (Thames Valley Civil Defence Emergency Management) Joint Committee has considered the attached report and has recommended that the TVEOA be disestablished and replaced with each Council having an imbedded civil defence/emergency management specialist resource.

Recommendation

That:

1. **The report of the Thames Valley Civil Defence Emergency Management Joint Committee be received**
2. **Matamata-Piako District Council supports the disestablishment of the Thames Valley Emergency Operating Area as recommended by the TVCDEM Joint Committee**
3. **As a partner council of the TVCDEM Joint Committee resolves to jointly abolish the TVCDEM Joint Committee effective from 30 June 2019 and discharge its members of that Committee from that date**
4. **Matamata-Piako District Council approve the establishment of a civil defence/emergency management specialist resource imbedded within the Council to provide a focus on CDEM functions**

Content

Background

The TVEOA (Thames Valley Emergency Operating Area) was established in 1997 to enhance the effectiveness of response during emergencies. The agreement between the three Councils was to support each other, provide resources, share costs, provide training and grow the civil defence capability throughout one of the most active regions in New Zealand.

While TVEOA holds an excellent reputation for delivery in the Local Government sector, this has mainly been in response for the many events experienced. The other parts of Council's civil defence responsibilities (the 4R's) of reduction, readiness and recovery have not been part of the

TVEOA function and are being managed, as time allows, by staff with other 'business as usual' functions.

As a result of the recent resignation of the TVEOA Manager/Controller the (TVCDem) Thames Valley Civil Defence Emergency Management Joint Committee commissioned a review of the long serving TVEOA civil defence/emergency management model to considered if it continues to delivered best practice to the communities of the three Councils (Hauraki, Matamata-Piako and Thames-Coromandel Districts) OR if other options needed to be considered.

Recent changes in regional resources and national direction for CDEM made it timely for this review to ensure that Council's statutory requirements under the Civil Defence Emergency Management Act 2002 and 2016 amendments where being met.

The timing also recognises the recent 'Delivering Better Responses to Natural Disasters and Other Emergencies' - Government response to the Technical Advisory Groups recommendations report commissioned in August 2018 after concern around the management of the Kaikoura event and Christchurch fire. The direction of this review was to clarify the roles and responsibilities of local authorities and central government agencies amongst other issue and recommends a closer relationship between councils and their regional civil defence groups being the (WCDEM) Waikato Civil Defence Emergency Management Group in this region. The adopted WCDEM Group Plan sets out a number of actions that are to be included in local authority work programmes and regularly reported on.

The nature of emergency management provides for improvement at many stages, including Group Plan reviews, after action reviews and changes in local resources or staff. This 2019 review of the TVEOA CDEM service delivery has been prompted by some of these recent changes and learning opportunities.

The review report was presented to the TVCDem Joint Committee, on the 8 February 2019 and the following resolution was passed at that meeting.

That the Thames Valley Civil Defence Emergency Management Joint Committee:

1. *Receives the report.*
2. *Confirms that the TVEOA be disestablished on 1 July 2019.*
3. *Support the disestablishment process to commence immediately to allow for: further due diligence, Council resolutions to be passed, financial and assets wrap up and disbursement, consultation, establishment of new roles.*
4. *Recommend Councils approve the employment of specialised CDEM staff to be imbedded within each Council to provide a focussed CDEM function applicable to that Council*
5. *Recommend the three partner Councils to enter into a SLA with the GEMO and an MOU between themselves to ensure work programme delivery and response capability is maintained at the highest possible level.*
6. *Approve that the administering authority, being Thames Coromandel District Council be the lead in the disestablishment process ensuring all legal and statutory requirements are met*

This report is to seek Council's consideration of the Thames Valley Civil Defence Emergency Management Joint Committee's recommendations.

Issues

All three Councils are focussed on their obligations under the CDEM Act 2002 and while the TVEOA provided for; training, planning, response and recovery it has not, nor was resourced to, deliver Community Response Plans, input into Business Continuity Plans and other 'business as usual' activities, local education programmes and local communications and a number of key actions as identified in the group plan.

These requirements, together with the fact that the Councils have now become far more capable and confident in their ability to deliver before, during and after emergencies has led the direction of this review to recommend that a professional CDEM specialist resource be imbedded within each of the three Councils, as opposed to continuing to utilise existing staff in a part time or casual capacity with some support from the TVEOA.

The review has highlighted that the three Councils wish to strengthen their internal emergency management capability and develop stronger links between themselves and the Waikato CDEM Group. To that end the Joint Committee agree that the TVEOA as it currently operates is likely to not deliver what is required going forward.

More effective delivery and coordination of both emergency management and Council services could be incorporated into Council business with the imbedding of a CDEM specialist resource within each Council to manage the relationships and operational responsibilities across the 4R's.

The review presented four options to the TVCDEM Joint Committee for their consideration. These options were:

- 1) *Status Quo for TVEOA,*
- 2) *An enhanced TVEOA model with each Council providing specialist CDEM staffing and resourcing to coordinate emergency and crisis management, imbedded within that Council to assist with the delivery of the 4rs*
- 3) *Independent Council service delivery with each Council providing specialist CDEM staffing and resourcing to coordinate emergency and crisis management, imbedded within that Council*
- 4) *A centralised model working with the Waikato CDEM Group Emergency Management Office (GEMO) providing specialist CDEM staffing and resourcing to coordinate emergency and crisis management, imbedded within that Council.*

A full options analysis is included in the report at Appendix A

In summary, as much as the current model is proven to work well in response, any changes under consideration should target specific improvement opportunities across all of the 4R's and this would be best met with a specialist CDEM resource dedicated to emergency management in each Council.

Also, the capacity of each Council to manage and maintain a significant or prolonged response needs to consider the best way to implement surge capacity to ensure the needs of their communities are met. The support of GEMO coordination services offer recognised benefits in this regard.

The three Thames Valley councils will continue to support each other through any emergency and closer relationship with the WCDEM Group through the GEMO will also bring support from across all the councils in the Waikato during any response and professional advice across all parts of the emergency management spectrum.

Analysis

Options considered

Council's options are:

- 1 Accept the recommendation of the TVCDEM Joint Committee – This will lead to the disestablishment of the TVEOA effective from 30 June 2019. This will include the distribution of assets and funds held by the TVEOA.
- 2 To not accept the TVCDEM Joint Committee recommendations and ask that they reconsider their decision. – This may result in Council being at odds with the other Councils. Hauraki District Council has resolved to support the disestablishment of the TVEOA at their meeting on 27 February 2019. Thames-Coromandel District Council will consider the issue at their meeting on 2 April 2019.

Analysis of preferred option

Option 1 is the preferred option as it will give Council a stronger, more professional emergency management presence on a daily basis. This will enable Council to meet our statutory responsibilities, undertake a work programme that meets our commitment to the WCDEM Group and improve emergency management across the Matamata-Piako district. A dedicated resource will also give professional civil defence input into many of our 'business as usual' functions such as subdivision/planning consents, business continuity planning and community response planning. The resource would also provide expertise and assistance with any other emergency that Council may have such as major water breaks.

Legal and statutory requirements

Thames-Coromandel District Council is the administering authority for the TVEOA and will lead the disestablishment process ensuring all legal and statutory requirements are met prior to 30 June 2019.

Impact on policy and bylaws

This recommendation will not have any impacts on existing policies or bylaws

Consistency with the Long Term Plan / Annual Plan

This recommendation is consistent with the (LTP) Long Term Plan as the Civil Defence function will continue to be undertaken in accordance with the Plan although it will be managed in a different way.

The LTP sets a target of '*sufficient trained staff within the TVEOA*'. While the TVEOA would no longer exist it is intended to establish a MOU with the other two Councils to provide support in an emergency. Closer links with the GEMO would also provide further support across the Waikato and further if required.

Impact on Significance and Engagement Policy

This decision does not trigger the Significance and Engagement policy. The civil defence function will continue to be undertaken through a formal relationship with GEMO (Group Emergency Management Office) rather than the TVEOA.

Timeframes

It is proposed that the disestablishment of the TVEOA will occur on 30 June 2019 and from 1 July 2019 a new agreement will be in place with GEMO. There are a number of legal and statutory issues that will need to be worked through prior to the disestablishment date.

Financial Impact

i. Cost

It is intended that the specialist CDEM resource will be employed and resourced by the Waikato Regional Council and managed through the GEMO.

Conversations with the GEMO Manager/Controller has indicated that the cost to Matamata-Piako for an imbedded civil defence/emergency management specialist resource will be at a similar cost to what Council was levied for its share of the TVEOA (\$110,000). The final cost will be established during the next two months and will be determined by the level of service that Council requires.

ii. Funding Source

The 2019/20 Annual Plan includes a budget of \$156,501 for civil defence/emergency management.

Attachments

- A. Thames Valley Emergency Operating Area Civil Defence Emergency Management - Review 2019 Options

Signatories

Author(s)	Dennis Bellamy Group Manager Community Development	
Approved by	Don McLeod Chief Executive Officer	

Thames Valley Emergency Operating Area Civil Defence Emergency Management - Review 2019 Options

TO Thames Valley Civil Defence Emergency Management Joint Committee

FROM Sharon Cousins-O'Donnell, Emergency Management Consultant

DATE 8 February 2019

SUBJECT Thames Valley Emergency Operating Area Civil Defence Emergency Management 2019 Options

1 Purpose of Report

This 2019 review of the long serving TVEOA (Thames Valley Emergency Operating Area) CDEM (Civil Defence Emergency Management) model considers if it delivers current best practice to the communities of the three Councils (Hauraki, Matamata-Piako and Thames-Coromandel Districts) OR if other options should be considered.

Recent changes in local staffing, regional resources and national direction for CDEM make it timely for a review to ensure the statutory requirements under the *Civil Defence Emergency Management Act 2002*¹ and *2016 Amendments*² are being met.

The timing also recognises the recent 'Delivering Better Responses to Natural Disasters and Other Emergencies' - Government response to the Technical Advisory Groups recommendations August 2018³ report, which seeks to clarify the roles and responsibilities of local authorities and central government agencies.

2 Executive Summary

Each Council has obligations under the CDEM Act 2002, Section 64 to deliver emergency management across the 4R's (reduction, readiness, response and recovery) which the Waikato CDEM Group Plan 2016-2021⁴ has laid out in its Action Plan, CDEM Act 2002:

Section 64 reads

64 Duties of local authorities

- (1) A local authority must plan and provide for civil defence emergency management within its district.
- (2) A local authority must ensure that it is able to function to the fullest possible extent, even though this may be at a reduced level, during and after an emergency⁵.

While TVEOA holds an excellent reputation for delivery in the Local Government sector, recent emergency responses and developments across New Zealand have raised a number of issues to be consider. If these developments are not considered, there is a risk that the current structure may not deliver the needs of civil defence across the 4R's within the 3 Council

¹ [Civil Defence Emergency Management Act 2002](#)

² [Civil Defence Emergency Management Amendment Act 2016](#)

³ [Delivering better responses to natural disasters and other emergencies – Government response to Technical Advisory Groups recommendations; August 2018](#)

⁴ [Waikato CDEM Group Plan 2016-2021](#)

⁵ [Civil Defence Emergency Management Act 2002](#)

communities.

The nature of emergency management provides for improvement at many stages, including Group Plan reviews, after action reviews and changes in local resources or staff. This 2019 review of the TVEOA CDEM service delivery has been prompted by some of these recent learning opportunities.

The TVEOA was established in 1997 to enhance the effectiveness of response during emergencies. The agreement between the three Councils was to support each other, provide resources, share costs, provide training and grow the civil defence capability throughout one of the most active regions in New Zealand.

Since 2013 all three Councils have had qualified Local Controllers and as such have enhanced the activities of their respective emergency management requirements while contributing to the overall TVEOA professional management and work programme.

All three Councils are focussed on their obligations under the CDEM Act 2002 and while the TVEOA provides for; training, planning, response and recovery it has not, nor was resourced to, deliver Community Response Plans, input into Business Continuity Plans and other 'business as usual' activities, local education programmes and local communications and a number of key actions as identified in the group plan.

These requirements, together with the fact that the Councils have now become far more capable and confident in their ability to deliver before, during and after emergencies has led the direction of this review to recommend that the three Councils imbed professional CDEM specialists, as opposed to continuing to utilise existing staff in a part time or casual capacity.

The review has highlighted that the three Councils wish to strengthen their internal emergency management capability while still retaining strong links between themselves and the Waikato CDEM Group. To that end the Councils agree that the TVEOA as it currently operates is likely to not deliver what is required going forward.

More effective delivery and coordination of both emergency management and Council services could be incorporated into Council business with the imbedding of a CDEM specialist within each Council to manage the relationships and operational responsibilities across the 4R's.

A number of options were put forward for consideration and in line with the different requirements and levels of risk each of the three Councils will take slightly different recommendations to their elected members.

TCDC will seek to retain existing emergency management staff, manage the local work programme, assist the GEMO deliver the Group Plan and have formal SLA's and MOU arrangements with Group and the two partner Councils.

Hauraki and Matamata-Piako Councils would seek to have CDEM specialists employed by the GEMO and imbedded in their respective Councils, to jointly manage the local work programme and the assist the GEMO deliver the Group Plan.

3 Background

3.1 TAG Review 2018

The recent 'Delivering Better Responses to Natural Disasters and Other Emergencies' -

Government response to the Technical Advisory Groups recommendations August 2018⁶ report, has set the direction for clarification of the roles and responsibilities of local authorities and central government agencies to work more collaboratively across the emergency management sector. (Attachment A Extracts from Minister of CDEM media release 2018).

Specific to local authorities is the requirement to cooperate as a CDEM Group within each region with shared emergency management services and personnel.

3.2 TVEOA review 2018

An extensive review of TVEOA service delivery was undertaken in 2018 - *Thames Valley Emergency Operating Area (TVEOA) CDEM Service Delivery Review 4.0 April 18 2018: Geoff Canham*. At that time Canham came up with five options, four of which are still on the table for consideration in 2019.

The four options are:

- 1) Status Quo for TVEOA
- 2) An enhanced TVEOA model with each Council providing specialist CDEM staffing and resourcing to coordinate emergency and crisis management within that Council to assist with the delivery of the 4's
- 3) Independent Council service delivery with each Council providing staffing and resourcing to coordinate emergency and crisis management within that Council
- 4) A centralised model working with the Waikato CDEM Group Emergency Management Office (GEMO) providing staffing and resourcing to coordinate emergency and crisis management within that Council.

Canham commented on the status quo as being '*Good but being outstripped by the requirements of needing to be better. New Zealand is in the position now (after the previous 10 years of being tested) to be in touch with the 'gap'. Simply, 'growing families need more', and this review has identified more resources needed to face more issues as a key result area*'⁷

3.3 Bay of Plenty review 2018

This summary provides a number of observations that the TVCDEM Joint Committee may wish to consider and highlights the pro's and con's of regional vs local.

The report '*Bay of Plenty CDEM Review Report November 2018: Sue Duignan/Malinda Meades*' is also currently available to the CDEM sector. Duignan and Meades collectively interviewed CDEM staff from seven Groups or regions and have supplied the following summary of service delivery models.

⁶ [Delivering better responses to natural disasters and other emergencies – Government response to Technical Advisory Groups recommendations; August 2018](#)

⁷ Thames Valley Emergency Operating Area (TVEOA) CDEM Service Delivery Review 4.0 April 18 2018 Credit Geoff Canham

Works well	Less effective
Relationship-communication-collaboration	
Model:	
A unified regional commitment to the model via an agreement with a clearly expressed vision and principles.	A hybrid approach with some centralised and some decentralised models
Funding approach:	
Managed centrally via a regional targeted rate enables a partnership agreement around the vision, goals and service delivery, without money being the inhibitor.	Each local authority contributes a sum and then annually debates the services required. This contributes to a master-servant relationship rather than a partnership approach.
Employment:	
All CDEM staff employed by the regional council and managed by a single CDEM entity enables a consistent professional oversight of the staff member(s) and development into specialist areas with a visible career path.	CDEM staff employed by each local authority does not always enable a consistent approach across the region or development of staff in the roles.
Location:	
CDEM staff employed centrally, but located/embedded in local authorities providing coordination and expertise to the local authority (not all CDEM is delivered by the local person) and enabling the development of expertise at a region-wide level.	CDEM staff employed locally. It requires a close connection with the Group to maintain a region-wide consistency and standard. Large distances can inhibit the Group connection.
CDEM services:	
CDEM staff working closely with local authority at the community interface around community resilience activities.	Centralised CDEM staff working directly with local communities without involving local authority staff means that in an event the local staff may not be familiar with response plans, key community players.
Consistent training from the Group to local authorities with local staff trained across response roles.	Locally accessed training which does not allow for cross-training through the region and reduces consistency.
A centrally-enabled CDEM coordination of smaller local authorities enabling shared resources (people, EOCs)	Smaller local authorities struggling to upskill enough staff to operate an EOC across multiple shifts.
Skilled professionals to advise or support an EOC in an event.	Local authorities managing an event without expert assistance.

3.4 Waikato CDEM Group Plan Action Plan review 2018

The Group Emergency Management Office (GEMO) has also undertaken a review of the Waikato CDEM Group Plan Action Plan (work program) and reported on this to the Group Coordinating Executive Group (CEG) and Joint Committee in late 2018. This report highlights a number of gaps in the delivery of the approved actions, many of which require local authority actions. As per the intention of the CDEM Act 2002, local authority work programs need to align with Group Plans, which in turn align with National Legislation and Guidelines.

Failure to deliver on the local and combined workstreams of the Group Action Plan may leave a Council at risk of harm to a community impacted by a natural disaster and allows for potential damage to the reputation of that Council. Delivery on the operational aspects of CDEM should run across all 4 R's (reduction, readiness, response and recovery), and the Group Plan encompasses this, therefore it is up to each Council to ensure they actively participate in delivery. A copy of the WCDEM Group Plan action plan priorities is included Attachment B.

4 Discussion

4.1 TVEOA Review 2019

Considering these recent reviews and current changes in TVEOA staffing, the TVEOA Coordinating Advisory Group, on behalf of the TVCDEM Joint Committee, commissioned an independent review of service. In preparing this review, views of key staff, executive and governing representatives familiar with CDEM in the Thames Valley Emergency Operating

Area (TVEOA) (Hauraki, Matamata-Piako and Thames-Coromandel Districts) was sought, either directly or by proxy. In addition, key staff at Waikato Group Emergency Management Office (GEMO) and Waikato District Council were interviewed.

The following table provides the full list of feedback obtained via interviews in January 2019, aligned to the sections headings of the Group Plan

Status Quo TVEOA

Challenges	Benefits
Understanding and communicating Risk	
Lack of TVEOA resources to provide targeted public education based on local risks	Geographic knowledge
Lack of certainty around which layer is lead for PIM messaging	Understanding of rural communities
A variable community demographic across and between each District	Good local knowledge of river systems as a common risk
Lack of Imbedded specialist within Council to use local risk assessments to advise on Council assets and other BAU responsibilities	In house presence of specialist knowledge for Council BAU functions to draw on
Coordination of risk reduction initiatives	
Inconsistent Local vs District risk management strategies	Local knowledge and relationships assist to provide 'fit for purpose' strategies
Being ready – our communities	
Lack of community response plans (MPDC)	Other two Councils able to assist
Visitors to the area – public education	Local, specific messaging
Local business continuity planning (unknown gaps)	Specialists can be engaged to complete
Inconsistent approach to Community Response Planning	Local knowledge and relationships assist to provide 'fit for purpose' plans that can be of a standard template suitable for all three
Differing approaches to Community Response Planning	Local knowledge and relationships assist to provide 'fit for purpose' plans
Local variances in preparedness	Local knowledge and relationships assist to provide 'fit for purpose' strategies
Recognition of local volunteers	Local knowledge and relationships assist to identify and reward volunteers
Being ready – the Group	
Long term or large-scale capacity (staffing)	Existing relationships and understanding of skill sets, availability and experience
Dispersal of current assets and liabilities	Proven resource sharing benefits
Staff retention	Executive relationship and trust in capability of incumbent CDEM professionals – enhanced by local recruitment processes
(Perceived?) Thames focus in a response	TCDC EMU adds to risk reduction and enhances Council capability in BAU reduction and recovery and CDEM readiness and response
Process differences between Councils (e.g. GIS specialist systems, computer servers, status board displays)	Centralised training coordination. Overall efficiencies in a 3 Council approach
An extra layer of communication	Understood skill sets available for specific project delivery
EOC staff disconnect (EOC resources and processes)	Shared process management (e.g. One Drive)
CAG time and capacity to lead (staff numbers)	Readiness and Response proven
Reduction and Recovery not well done	Proven current response capability and flexible approach to 2020 future

Challenges	Benefits
Administration time for training (Takatu, capability reporting [CMAT?]) and staff coordination)	Excellent current CDEM professional leads capability.

Enhanced TVEOA CDEM specialist in each Council

Challenges	Benefits
Understanding and communicating Risk	
Lack of local knowledge and relationships Lack of collaboration by Council departments and contractors	Imbedded specialist within Council to use local risk assessments to advise on Council assets and other BAU responsibilities
Coordination of risk reduction initiatives	
Inconsistent Local District risk management strategies	The relationships with Council departments are stronger with imbedded specialist. Consistent approach to planning and implementation of risk reduction initiatives
Being ready – our communities	
Consistent messaging being delivered to diverse communities	More responsive targeted public education based on local risks
Being ready – the Group	
(Perceived?) Thames focus in a response	Consistent across district focus
Process differences between Councils (e.g. GIS specialist systems, computer servers, status board displays)	Centralised training coordination
An extra layer of communication	Enhanced resource sharing benefits
EOC staff disconnect (EOC resources and processes)	The ability to quickly boost the EOC staff and resources
Partnerships	
Alignment to Fire and Emergency NZ 2020 vision	Local knowledge
	Local relationships

Independent Council model

Challenges	Benefits
Understanding and communicating Risk	
Messaging is targeted. Lack of collaboration by other departments to participate in risk management	Imbedded specialist within Council to use local risk assessments to advise on Council assets and other BAU responsibilities
Coordination of risk reduction initiatives	
Collaboration by other departments to participate in risk management	The relationships with Council departments are stronger with imbedded specialist. Imbedded specialist within Council to use local risk assessments to advise on Council assets and other BAU responsibilities. Senior management would be involved
Being ready – our communities	
Timing and availability of educational resources	Targeted public education based on local risks
Being ready – the Group	
Specific skill sets may vary Lack of depth in response capability	Buy in from Council staff, more responsive to local events
Partnerships	
Alignment to Fire and Emergency NZ 2020 vision	Local knowledge
	Local relationships

GEMO model

Challenges	Benefits
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Understanding and communicating Risk	
Lack of local knowledge, few relationships	In house presence of specialist knowledge for Council BAU functions to draw on
Acceptance by senior management	Increased knowledge of local hazards and risks
Coordination of risk reduction initiatives	
Collaboration by other departments to participate in risk management	Imbedded specialist within Council to use local risk assessments to advise on Council assets and other BAU responsibilities
Being ready – our communities	
Targeted public education based on local risks	Provision and delivery of improved communications tools around national events (e.g. Shakeout)
Being ready – the Group	
Local EOC capability – process and systems	Shared resources
One less level of reporting – (less local buy-in) (cost effectiveness enhancement opportunities)	Coordinated training and development
Risk of city centric focus	Local EMO liaison with GEMO at an operational level
Lack of confidence and understanding in GEMO service delivery	Larger staff pool, greater variety of skills and experience to draw on BAU
Lack of clarity for delegations	Increased opportunities to gain experience – deployment managed centrally for this purpose
Differing SLA needs for each Council	One less level of reporting – (less local buy in) (cost effectiveness enhancement opportunities)
	Improved liaison between District and GEMO
	Wider provision of Controllers – provided they have the experience to cover local risk management and response duties (reduction, readiness and response)
	Increased pool of key staff
	Increased surge capacity with experienced staff
	Improved District to GEMO relationships
	Additional access to facilities outside Council
Partnerships	
Local knowledge – local risk management	Alignment to Regional and National Fire and Emergency NZ 2020 vision
Lack of local relationships and partnerships	Increased surge capacity with experienced staff

Consistently, the feedback noted the importance of local delivery of CDEM, with a wish for all three TVEOA Councils to continue working closely with each other, with an improved integration of regional goals and work programs, as outlined in the Waikato CDEM Group Plan. Repeated reference was made of the importance of maintaining the local geographical knowledge, local relationships (between Councils, across partnering agencies, contractors and between staff and elected officials) and understanding of local arrangements in any future service agreement or role description(s), as they are proven in the readiness and response phases of emergency management.

In short, as much of the current model is proven to work well in response, any changes under consideration should target specific improvement opportunities, for example employment of specialist CDEM staff dedicated to Emergency Management in each Council. Also, the capacity of each Council to manage and maintain a significant or prolonged response needs to consider the best way to implement surge capacity to ensure the needs of their communities are met. The support of GEMO coordination services in this regard offer recognised benefits.

4.2 Options Analysis

The four options presented:

- 1) Status Quo for TVEOA,
- 2) An enhanced TVEOA model with each Council providing specialist CDEM staffing and resourcing to coordinate emergency and crisis management, imbedded within that Council to assist with the delivery of the 4's
- 3) Independent Council service delivery with each Council providing specialist CDEM staffing and resourcing to coordinate emergency and crisis management, imbedded within that Council
- 4) A centralised model working with the Waikato CDEM Group Emergency Management Office (GEMO) providing specialist CDEM staffing and resourcing to coordinate emergency and crisis management, imbedded within that Council.

Option One – Status Quo for TVEOA	
Description of option	
<p>This model is proven in readiness and response, but with a need to consider surge capacity for resources in a large scale or long term emergency.</p> <p>There is room for improvement in service delivery across the 4R's, with each Council working to differing models of service delivery. Provision of CDEM specialists within each Council would better deliver the outcomes of the Waikato CDEM Group Plan Action Plan.</p>	
Impact assessment	
Legal Implications	This model is currently under resourced and unable to deliver on agreed work programs driven by national and regional intentions to provide ' <i>better responses to natural disasters and other emergencies</i> ' ⁸ .
Risk	<p>Failure to deliver emergency management across the 4R's leaves a Council at a minimum risk of reputational damage and at worst allows for a community to be placed in harm's way when a natural disaster occurs.</p> <p><i>Mitigation: Additional resourcing within each Council</i></p>
Policy Implications / Strategic Links	This model is currently lacking resource to cover the needs of all three Councils.
Current costs and benefits	Refer Attachment C: TVEOA Budget 2018 -2028
Financial Implications	<p>The TVEOA assets and liabilities register is maintained on behalf of the three Councils by the TVEOA as part of their service level agreement.</p> <p>A summary of the current budget is included Attachment C: TVEOA Budget 2018 - 2028</p>
Annual Plan / LTP Implications	It is understood the current year's budget shows an underspend due to a decrease in staff numbers. If continued, this model needs to consider ways in which they might better deliver against the Waikato Group Plan Action Plan objectives.
Community Outcomes	Canham wrote: <i>Good, but being outstripped by the requirements of needing to be better. New Zealand is in the position now (after the previous 10 years of being tested) to be in touch with the 'gap'. Simply, 'growing families need more', and this</i>

⁸ Delivering better responses to natural disasters and other emergencies - Government response to the Technical Advisory Groups recommendations August 2018

	<i>review has identified more resources needed to face more issues as a key result area⁹; Canham</i>
Community Views	The three Councils have dissimilar arrangements for community engagement. There is room for improvement in community response planning and in business continuity planning. Any change should incorporate a communications strategy to maximise the opportunity to connect with the public and enhance work in these areas.
Customer impact	Relationships between Councils, partner agencies and service providers at governance, executive and staff levels is exceptional. The value of these relationships was spoken of by all interviewees.

Option Two – An enhanced TVEOA model with an increased service delivery by imbedding a CDEM specialist within each Council to coordinate emergency and crisis management.

Description of option

TVEOA shows there is room for improvement in service delivery across the 4R's, with each Council working to differing models of service delivery. Provision of a CDEM specialist within each Council would benefit the outcomes against the Waikato CDEM Group Plan Action Plan.

Impact assessment

Legal Implications	Additional resource would enhance the ability of all three Councils to meet their requirements under the CDEM Act 2002 and deliver more effective emergency management outcomes in alignment with the Waikato CDEM Group Plan Action Plan.
Risk	There is a potential for the CDEM function to become isolated within their own Council environment. This would subtract from surge capacity and has the potential to create duplication and reduce effectiveness. <i>Mitigation: Ensure each Council maintains TVEOA and strengthen GEMO relationships</i>
Policy Implications / Strategic Links	National direction indicates a move to centralisation in emergency management. The continuation of a TVEOA model provides another layer of bureaucracy which could be better utilised in delivery of outcomes.
Costs and benefits	Additional resource comes at a cost, with those Councils requiring additional resource needing to pick up that cost.
Financial Implications	The introduction of CDEM specialists imbedded within each Council, should improve community resilience to recover from a natural disaster.
Annual Plan / LTP Implications	The current TVEOA budgets does not allow for additional resources, nor for the overheads of holding the extra resource within each Council.
Community Outcomes	Dedicated CDEM Coordinators in each Council would enhance community engagement and improve the reputation of Council.
Community Views	Communities who have already been approached to support community response planning indicate they appreciate and value the time of a CDEM Coordinator working with them to improve their capability.

Option Three - Independent Council service delivery with each Council providing a CDEM specialist and resourcing to coordinate emergency and crisis management, imbedded within that Council

⁹ Thames Valley Emergency Operating Area (TVEOA) CDEM Service Delivery April 2018; Geoff Canham

Description of option	
CDEM specialists imbedded in each Council to deliver and coordinate CDEM across that Councils business units and into the local communities.	
Impact assessment	
Legal Implications	Provision of a CDEM specialist in each Council would better meet the requirements of the CDEM Act 2002, Section 64 Duties of local authorities ¹⁰
Risk	There is a potential the CDEM function to become isolated within their own Council environment. This would subtract from surge capacity and has the potential to create duplication and reduce effectiveness. <i>Mitigation: Ensure each Council maintains TVEOA and strengthen GEMO relationships</i>
Policy Implications / Strategic Links	National direction indicates a move to centralisation in emergency management ¹¹ .
Costs and benefits	Additional resource comes at a cost, with those Councils requiring additional resource needing to pick up that cost.
Financial Implications	The introduction of CDEM specialists imbedded within each Council, should improve community resilience to recover from a natural disaster.
Annual Plan / LTP Implications	The current round of AP/LTP input is largely completed, which could cause a delay in approval for additional resources.
Community Outcomes	Dedicated CDEM Coordinators in each Council would enhance community engagement and improve the reputation of Council.
Community Views	Communities who have already been approached to support community response planning indicate they appreciate and value the time of a CDEM Coordinator working with them to improve their capability.

Option Four - A centralised model working with the Waikato CDEM Group Emergency Management Office (GEMO) providing specialised CDEM resourcing to coordinate emergency and crisis management, imbedded within that Council

Description of option	
In a move towards the future of CDEM, the Waikato GEMO offer a flexible approach to any Service Level Agreements, dependant on the needs of individual Councils. GEMO offer a centralisation of services, for example they offer .2 FTE admin support provided from within the GEMO, supporting management hours for professional development and operational guidelines.	
Impact assessment	
Legal Implications	This model would better deliver on agreed work programs driven by national and regional intentions to provide ' <i>better responses to natural disasters and other emergencies</i> ' ¹² .

¹⁰ [CDEM Act 2002](#)

¹¹ Delivering better responses to natural disasters and other emergencies - Government response to the Technical Advisory Groups recommendations August 2018

¹² Delivering better responses to natural disasters and other emergencies - Government response to the Technical Advisory

Risk	<p>The centralisation of services could impact on local relationships, geographical knowledge and understanding of local resources.</p> <p><i>Mitigation: Any SLA should be cognitive of the existing benefits of the TVEOA model and incorporate improvements, while not negatively impacting on the existing benefits.</i></p>
Policy Implications / Strategic Links	National direction indicates a move to centralisation in emergency management ¹³ .
Costs and benefits	<p>GEMO costings for one FTE</p> <p>NOTE the following table is indicative only, and GEMO indicate a flexible approach for each Council to allow for differing service level needs, as identified by that Council.</p> <p>Each Council will still need to provide the following roles and facilities. This is required of all Councils within the CDEM Group:</p> <ul style="list-style-type: none"> • Public Information manager (PIM) • Local Recovery Manager • Local Welfare Manager • Local Controller (or alternatively a suitably experienced Response Manager) • EOC Facilities

	Coordinator		
	Base Salary* 95% of Band F	1.00	68,142
	Add ACC @.0021		143
	Add Kiwisaver @ 3%		2,044
	Add Training @ 1.5%		1,022
			71,351
	Plus Overheads		14,633
	Total Cost - Coordinator		85,984
	Administrator		
	Base Salary* 95% of Band D	0.20	9,918
	Add ACC @.0021		21
	Add Superannuation @.027		298
	Add Training @ .0150		149
	Raw Rate		10,386
	Plus Overheads		2,927
	Total Cost - Administrator		13,312
	Total Labour and Overheads		99,296
Support / management			
Total Hours	176		
Manager / Controller	10%		
Hours	16		
Team Leader	90%		
Hours	160		
Total Support/Management Costs		12,967	
Vehicle/Phone Costs			
Phone costs		408	
Vehicle Costs		10,472	
2018/19 calculated costs		123,143	
Financial Implications	The introduction of a CDEM specialist imbedded within each Council, should improve community resilience to recover from a natural disaster. GEMO costing for 1 FTE as above. NOTE: GEMO remains flexible to meeting the needs of each Council.		
Annual Plan / LTP Implications	While each Council currently holds different percentages of the TVEOA budget, if implemented with a good change management strategy the difference between the GEMO model and the TVEOA model should be minimised.		
Community Outcomes	Dedicated CDEM Coordinators in each Council would enhance community engagement and improve the reputation of Council.		

Community Views	Communities who have already been approached to support community response planning indicate they appreciate and value the time of a CDEM Coordinator working with them to improve their capability.
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4.3 Financial Situation

The TVEOA financial report at 31st January 2019 including the projected budget/s at 30th June 2019 (Attachment D) and the current asset list are attached (Attachment E)

Two budget projections –the first including the 4th quarter levy payments by Councils, the second, withholding the 4th quarter payments are presented.

- Projected financial position as at 30 June 2019 \$230,328
- Projected financial position as at 30 June 2019 excluding 4th Quarter Council Levy \$132,746
- TVEOA Book value of Assets as at 30 June 2019 \$129,523

The CAG has advised that they will confirm whether or not to go ahead with the 4th quarter payment in February.

In summary, the TVEOA is in a sound financial position and the reports presented will provide accurate background information to Councils as they complete due diligence on the cost implications of the restructure as it pertains to them.

The asset list at \$129,593 includes big ticket items such as vehicles and trailers which should be able to be absorbed by one or the other Councils.

4.4 Conclusion

While TCDC has specialist and qualified staff imbedded and coordinating the wider emergency and crisis management of the Coromandel Peninsula the other Councils presently have existing full time staff running an already full Council business portfolio whilst trying to coordinate CDEM on top of their workload.

It is evident throughout this review that to fully deliver on the work commitments of CDEM and to fulfil obligations under the Act within each Council, additional CDEM specialist support is required

This resource should be imbedded within each Council, while continuing to work together across the wider region to ensure they enhance effectiveness and minimise duplication.

The TAG review clearly points to a more centralised model of local CDEM management taking effect across the country by 2020. By implementing change now each Council will be better able to assess its delivery effectiveness and alignment with the TAG review by the time centralisation is mandated.

It is worth noting that while the TAG review has highlighted the centralised model and a target date, it cannot be assumed that it will be implemented at that time.

While imbedding a CDEM specialist within each Council would enhance the ability of that Council to meet its requirements, it is important to ensure the wider three district relationships

are maintained through sound MOU's and the regional relationships with GEMO are strengthened with SLA's

Having interviewed elected members and both Council and CDEM senior management and staff as part of this short review the recommendations are by far the view of the majority;

- The TVEOA be disestablished progressively between April and June 2019 to allow for: further due diligence, Council resolutions to be passed, financial and assets wrap up and disbursement, consultation, establishment of new roles and full implementation as at the 1st July 2019
- Councils approve the employment of specialised CDEM staff to be imbedded within each Council to provide a focussed CDEM function applicable to that Council. With the exception of TCDC who already have this in place.
- The three partner Councils to enter into a SLA with the GEMO and an MOU between themselves to ensure work programme delivery and response capability is maintained at the highest possible level.
- The administering authority, being Thames Coromandel District Council be the lead in the disestablishment process ensuring all legal and statutory requirements are met

5 Recommendation

Recommendation:

That the Thames Valley Civil Defence Emergency Management Joint Committee:

1. Receives the report.
2. Confirms that the TVEOA be disestablished on 1 July 2019.
3. Support the disestablishment process to commence immediately to allow for: further due diligence, Council resolutions to be passed, financial and assets wrap up and disbursement, consultation, establishment of new roles.
4. Recommend Councils approve the employment of specialised CDEM staff to be imbedded within each Council to provide a focussed CDEM function applicable to that Council
5. Recommend the three partner Councils to enter into a SLA with the GEMO and an MOU between themselves to ensure work programme delivery and response capability is maintained at the highest possible level.
6. Approve that the administering authority, being Thames Coromandel District Council be the lead in the disestablishment process ensuring all legal and statutory requirements are met

Attachment A

Extracts from Minister of CDEM media release 30 August 2018

A. Media release 30 August 2018

Emergency management system reform, fly-in teams funded to support communities

Mr Faafoi stressed that the review of civil defence was not any reflection on the contribution of the volunteers and professionals who respond to emergencies, who have his utmost respect.

“But this is about ensuring the system is fit for purpose in 2018 and the years ahead. We intend the Government’s response will deliver the lift and shift that we know is required by:

- Putting the safety and wellbeing of people at the heart of our emergency response system.
- Strengthening the national leadership of the emergency management system.
- Making it clearer who is responsible for what, nationally and regionally.
- Building the capability and capacity of the emergency management workforce, including particular focus on development of emergency event controllers.
- And improving information and intelligence system that supports decision making in emergencies.

“Some of this is about continuing work already underway, and some is about reprioritising and refocussing efforts. There are areas that would need significant investment and require further work, such as consideration of a new national emergency management agency and a better national emergency management facility. That work will happen over the coming months.

“Local government has a major role to play in lifting the system and has made a significant contribution to help us get to where we have today. Many others, particularly iwi, also play a significant role and their contributions have also been instrumental. These partnerships will remain critical and valued as we continue to progress all of this work.”

...Credit full interview: ¹⁴

B. Delivering better response to natural disasters and other emergencies: Government response to the Technical Advisory Groups recommendations August 2018

Summary extract page 8 - section heading:

Making it clear who is responsible for what, nationally and regionally

What are we doing now and what will we do in the next 12 months?

- Continue to review national plans with agencies to improve planning and arrangements for how agencies will work together and who will do what.
- Formalise roles and responsibilities in the Co-ordinated Incident Management System.
- Clarify in relevant documents what ‘lead agency’ means (e.g. the Co-ordinated Incident Management System manual, the National Security Systems handbook, and the National CDEM Plan).
- Encourage CDEM Groups to co-opt ambulance services onto their Co-ordinating Executive Groups.

What will take a bit longer?

Changing the Civil Defence Emergency Management Act to:

- ***Require local authorities to cooperate as a CDEM Group within each region with shared emergency management services and personnel.***
- Clarify that Mayors declare states of local emergency for their district or city and require that they consider the advice of a Controller (where this is practicable).

¹⁴ <https://www.beehive.govt.nz/release/emergency-management-system-reform-fly-teams-funded-support-communities>

- Provide for the National Controller, Group Controllers and Local Controllers to each have a clear function and power to coordinate an emergency response in the appropriate circumstances.
- Require CDEM Groups to have a clear decision point and communications for when there is an emergency so it is clear who is in charge.
- Clarify criteria for declaring a state of local emergency (that emergency powers are, or likely to be, necessary).
- Determine whether the Director of Civil Defence Emergency Management should be able to intervene in a local response where there are matters of national interest.
- Include ambulance services on each CDEM Group's Co-ordinating Executive Group.¹⁵

¹⁵ [Delivering better responses to natural disasters and other emergencies – Government response to Technical Advisory Groups recommendations; August 2018](#)

Attachment B

WCDEM Group Plan action plan priorities as per CEG and JC November 2018

Understanding and communicating our risks										
	<i>Goal 1 : Build and sustain an understanding of hazards and risks</i>									
	Strategic Objectives	Issue/ Opportunity	Actions	Priority	Respon party	Calendar Year	Comments	Progress	Timing	Notes
1	A comprehensive understanding of the hazards that affect the Group and the associated risks and the consequences to inform risk reduction, readiness, response and recovery activities.	Maintaining and completing hazard information	1. Collation of hazard and risk information, gap analysis and data improvement programme	1	Combined			In progress - on track	2016 - 17	
		Improving understanding of risks and mitigations required	2. Ongoing development of the regional multi-hazard lifeline utilities vulnerability assessment project	2	Gemo	Annual	Subject to WLUG business plan activities. Moving to sustainment phase	In progress - on track	2016 - 21	
			3. Ongoing implementation of the hazard and risk data improvement programme	2	Combined	Annual	Work is in progress but requires development of a programme to make sustainable	In progress - behind	2016 - 21	
	Communities understand their risks	Identify the consequences and opportunities from specific hazard risks.	4. Identify the consequences for recovery of the top 5 priority hazard risks.	2	Gemo	2020	Crude analysis will be undertaken to inform next iteration of group plan	Not started		

2		Improved access to hazard information	5. Develop a platform for collection, collation and sharing of hazard and risk information (Waikato Hazards Database)	1	Gemo			In progress - behind	2016 - 17	
			6. Promote the availability of hazard and risk information to CDEM partners, stakeholders and the community	1	Combined			In progress - behind	2016 - 21	
		Communicating risks to local communities	7. Local authorities to utilise risk consequence information to communicate with local communities to assist them to understand the possible consequences on their community and identify their risk tolerance level	2	Local	Annual	Could be optimised to make more effective and deliberate	Not started		

		Apply knowledge of hazard consequences	8. Local authorities to develop strategic planning for recovery processes to better inform reduction, readiness, response and recovery (immediate, medium and long term)	3	Local	2020	started in 2020 - ongoing activity beyond life of plan	In progress - on track		
Reducing our risk										
	<i>Goal 2: Reduce risks from hazards to acceptable levels.</i>									
	Strategic Objectives	Issue/ Opportunity	Actions	Priority	Respon party	Calendar Year	Comments	Progress	Timing	Notes
1	The likelihood of manageable hazards occurring is acceptable	Coordination of risk reduction initiatives	9. Audit the hazard risks identified in the Waikato Regional Policy Statement, Regional Plans, District Plans and Long Term Plans and report their effectiveness as a CDEM mechanism for risk reduction and identifying prioritisation and implementation of strategic recovery actions.	2	Gemo	2019	Different approach, will address same opportunities	In progress - behind	2016 - 17	

			10. Review risk reduction reporting requirements to CEG to support a more coordinated approach across all agencies	2	Gemo	2020	cannot complete without completion of above activity, not likely to finish in GP lifetime	Not started	2019-20	
			11. Implement the risk reduction framework to facilitate a consistent approach to risk reduction across the group	2	Gemo		won't get to point of submitting, not resourced for this	In progress - behind	2016-21	
2	Where the hazard cannot be eliminated, the likelihood of exposure to that hazard is acceptable	Alignment with local authority planning	12. Review processes for integrating local authority planning with other CDEM resilience building activities	3	Combined		support WDC and develop model for next plan, wont achieve tin this plan	In progress - behind	2016- 17	
3	Where exposure to a hazard cannot be avoided, our resilience to that hazard is acceptable	Actions are covered collectively by all sections of the work programme					No specific action required	Complete		
	There is a consistent and comprehensive understanding of acceptable risk	Lack of understanding of "acceptable risk levels"	13. During the next review periods, review the effectiveness of the Waikato Regional Policy Statement, Regional Plans,	2	Gemo		ongoing activity that cannot be supported with current work programme	In progress - behind		

			District Plan and Long Term Plans as a CDEM mechanism for defining acceptable risk							
4			14. Collate data from local authority preparation for recovery with communities to: <ul style="list-style-type: none"> - understand risk tolerance; - minimise the escalation of the consequences of emergencies; - reduce future exposure to hazards and their associated risk to build resilience; - identify opportunities to regenerate and enhance communities that will meet future needs (across the built, economic, natural and social environments), and; - Support the cultural, emotional and physical wellbeing of 	2	Gemo		too ambitious to undertake in life of this plan	Not started	2016- 21	

			individuals and communities.							
Being ready – our communities										
	<i>Goal 3: Increase community awareness, understanding, preparedness and ownership.</i>									
	Strategic Objectives	Issue/ Opportunity	Actions	Priority	Respon party	Calendar Year	Comments	Progress	Timing	Notes
1	The community understands its hazards and the associated risks	Targeted community information	15. Incorporate hazard and risks (including infrastructure risks) as part of community response and recovery planning.		Local		Part of the CRP process.	Complete		Part of community response plan development
		Facilitating active community involvement	16. Use Waikato Hazard and Risk database to prioritise community response and recovery planning and vice versa.	1	Combined			In progress - on track	2016 - 17	Included in annual review
		Coordinating engagement initiatives	17a. Develop a Community Engagement Strategy (update/expansion of the Public Education Strategy) with a focus on coordinating initiatives	2	Gemo	2020		Not started	2016 - 17	Annual monitoring

			17b. Implement a Community Engagement Strategy (update/expansion of the Public Education Strategy) with a focus on coordinating initiatives	3	Gemo	2020		Not started		
		Develop a strategic planning for recovery framework	18. Engage with other CDEM groups to identify their approaches to strategic planning for recovery. Pilot 2-3 approaches in the Waikato and determine the 'best' approach for the Waikato.	2	Gemo	2021	engagement work has commenced with Groups, dependant on other Group timeframes for implementation of pilots	Not started		
2	Ownership of individual, community and business preparedness	Encourage active community involvement	19. Develop a prioritised programme for development and updates of CRPs	1	Local				2016 - 17	Implementation 2016-2021
			20. Test, review and maintain community resilience plans	2	Local		emphasis on developing community response plans at present	Not started	2016 - 21	Annual report on CRP status
			21. Review the CRP framework post the pilots for recovery planning and assess 'the fit' of combining response and recovery planning	1	Gemo			Not started		Part of Community Engagement Strategy

3	Appropriate Civil Defence Centre (CDC) facilities are provided	Effective community engagement	with local communities.							
			22. Develop a programme to measure community resilience outcomes	3	Gemo		use Resorgs updates	Not started		
			23. Establish and sustain communication processes between communities and CDEM	1	Local			In progress - on track		Incorporate into CRPs
	Appropriate Civil Defence Centre (CDC) facilities are provided	Standardising and rationalising Civil Defence Centres	24. Complete a stock take of facilities and plan for removal/development	1	local			In progress - behind	2016 - 17	
			25. Implementation of CDC plan	1	local			In progress - behind		
			26. Establish standardised arrangements for CDC administration and communication arrangements		Gemo			Complete	2016-17	
			27. Implementation of CDC arrangements Group-wide	1	Combined			In progress - behind	2017 - 19	
			28. Promote CDC locations appropriate	1	Local			In progress - on track		Part of CRP development

			to community requirements							
4	Community volunteers are capable and available for disaster response and recovery activities.	Facilitating active community involvement	29a. Establish protocols with volunteer groups for the oversight, mobilisation and coordination of community volunteer capability (including aspects identified in the group plan)	1	Gemo			In progress - behind	2016 - 18	Monitor implementation annually
			29. Sustain protocols with volunteer groups for the oversight, mobilisation and coordination of community volunteer capability (including aspects identified in the group plan)	1	Gemo	Annual		In progress - on track		
			30a. Develop a programme for CDEM trained volunteers in partnership with our preferred volunteer coordination partner	1	Combined			In progress - on track		
			30b. Deliver a programme for CDEM trained volunteers in partnership with our preferred volunteer coordination partner	2	Combined	2020		In progress - on track	2016 - 18	Monitor implementation annually

5	Business are resilient to disasters and have a defined role in disaster response and recovery	Facilitating active business involvement in CDEM	31. Establish CDEM relationships with large scale businesses	2	Gemo	2020	will continue into next iteration	Not started	2016 - 18	
			32. Establish CDEM relationships with professional bodies and institutions	2	Gemo	2021		Not started	2016 - 18	
			33. Promote and build business engagement with CDEM (eg. Waikato Hazard and Risk Information)	2	Combined	2020		Not started	2016 - 21	
			34. Establish protocols with businesses for the oversight and mobilisation of skills and assets during an emergency response and recovery	2	Gemo	2020		Not started	2016 - 18	
			34. Sustain protocols with businesses for the oversight and mobilisation of skills and assets during an emergency response and recovery	3	Gemo		implementation likely to take a while	Not started		
			35. Develop evaluation framework to measure the effectiveness of regional and local	3	Gemo	2020		Not started	2016 - 18	

			business engagement by CDEM							
Being ready – The Waikato CDEM Group										
	<i>Goal 4: Enhance capability to deliver an effective, expedient and efficient response..</i>									
	Strategic Objectives	Issue/ Opportunity	Actions	Priority	Respon party	Calendar Year	Comments	Progress	Timing	Notes
1	The Group's EOCs and ECC are maintained at a high level of readiness to support local, regional and national events	Development of communication and information systems	36. Develop situational awareness processes	1	Combined			In progress - on track	2016 - 21	
			37. Implementation and exercising of EMIS and other ICT solutions	1	Combined				2016 - 21	
		Improving coordination between key response organisations	38. Improve and align all Group standard operating procedures	1	Combined			In progress - behind	2016 - 21	
		GECC Facilities	39. Identify and implement a plan addressing the accommodation arrangements for the GEMO/GECC in the short, medium and long term		Gemo			Complete	2016 -17	
2	Capable people are available to support an appropriate level of response	Maintaining capability and capacity Improving coordination between key	40. Support the development of the Integrated Training Framework. Include training for Recovery Managers.	1	Combined			In progress - on track	2016 - 21	

		response organisations in large-scale events	41. Develop and implement a training and exercise programme to deliver the ITF	1	Combined			In progress - on track	2016 - 17	
			42. Develop the professional capability (CC) of professional CDEM staff through goal setting, reviews and training opportunities	1	Combined			In progress - behind	2016 - 21	
		Arrangements for sharing of Waikato CDEM staff resources	43. Develop protocols for sharing of CDEM staff resources across the Group and maintaining key positions during a prolonged activation, including recovery	1	Gemo			Not started	2016-17	
		Organisational Resilience of key response agencies	44. Establish a Group business continuity forum for members to review organisational resilience and identify collective areas for improvement. As a first step in the establishment of this forum members are required to provide a copy of their current	3	Gemo	2021		Not started	2017 -18	

			business continuity arrangements/plans in order to establish a baseline for future improvements							
3	Effective and expedient warning systems are in place	Development of communication and information management systems	45. Implement a Warning Systems Strategy	1	Combined			In progress - behind	2016 - 21	Annual progress report
4	Effective and efficient interagency communications are in place	Improving coordination between key response organisations in large-scale events	46. Improve and sustain interagency operational communications protocols (including the principles of consistent messaging)	1	Combined			In progress - behind	2016 - 21	
			47. Establish and sustain the coordination of interagency public information and social media management (including the principles of consistent messaging)	1	Gemo			In progress - on track	2016 - 21	

5	Response and recovery resources are available	Identifying and planning for critical resources	48. Review critical resource requirements for a major group response	3	Combined	2020		Not started	2016 - 21	
			49. Develop a Group Logistics Plan for use of the resources	2	Combined	2020		Not started	2016 - 18	
Response arrangements										
	Goal 5: Sustained capability to deliver an effective, expedient and efficient response									
	Strategic Objectives	Issue/ Opportunity	Actions	Priority	Respon party	Calendar Year	Comments	Progress	Timing	Notes
1	Response plans are implemented effectively during emergencies, in accordance with agreed priorities						No actions identified in Group Plan			
2	Response arrangements are monitored and continuously improved						No actions identified in Group Plan			

Recovery arrangements										
	Goal 6: Enhanced capability to recover from civil defence emergencies.									
	Strategic Objectives	Issue/ Opportunity	Actions	Priority	Respon party	Calendar Year	Comments	Progress	Timing	Notes
1	Comprehensive recovery arrangements are in place	Strategic planning for recovery	50. Educate the Group in respect of the requirements of the 2016 amendments to the CDEM Act 2002 and the 'Strategic Planning for Recovery' Director's Guideline which require local authorities to prepare communities for recovery.	2	Combined	2019		In progress - on track	2020- 21	
2		Gaps in recovery arrangements	51. Complete an audit of the Group Recovery arrangements against the legislative requirements and relevant recovery related Director's Guidelines and information.	1	Gemo			In progress - on track	2016 - 18	
			52. Update Local Recovery Plans in line with the legislation and Group Plan.	1	Local			In progress - on track	2017- 19	

3			52b. A work programme for strategic planning for recovery activity must be set.	2	Local	2019	for discussion of the CEG	Not started		
			53. Report on achievements against Recovery Plan actions.	3	Local	2019		Not started	2016 - 21	
		Clarify coordination between controllers and recovery managers	54 Develop protocol for Controllers and Recovery Managers to transition from response to recovery.	1	Gemo			In progress - on track		Annual report
	Capable people are available to lead and support recovery	Sustaining recovery	55. Review Group and local authority capacity to staff and sustain recovery over an extended timeframe and document reciprocal arrangements.	1	Combined			Not started	2016 - 21	
			56. Train Local Recovery Managers in their role and responsibilities.	1	Combined			In progress - on track		
		Educate local authorities on the requirements of the 2016 CDEM Amendment Act	57. Promote the inclusion of strategic planning for recovery as a key aspect of an integrated approach to community engagement across all aspects of Council business.	2	Combined			In progress - on track		

			58. Develop guidelines that support local authorities to document their local recovery arrangements.	1	Gemo			In progress - on track		
Partnership arrangements										
	<i>Goal 7: Build and sustain effective partnerships.</i>									
	Strategic Objectives	Issue/ Opportunity	Actions	Priority	Respon party	Calendar Year	Comments	Progress	Timing	Notes
1		Emergency services / CDEM partnership opportunities	59. Develop a Terms of Reference for the Emergency Services Advisory Group		Gemo			Complete	2016 - 17	
2		Implementation of the WCG Plan	60. Develop a Welfare Coordination Group (WCG) business plan and report on progress to CEG.	1	Gemo	Annual		In progress - on track	2016 - 21	
			61. Review the WCG Plan	1	Gemo	Annual	5yr business plan	Not started	2021	
			62. Develop local welfare plans	1	Local			In progress - on track	2017- 18	
3		Engagement of iwi in Group activities	63. Report on iwi engagement across the Group on CDEM matters	1	Combined	Annual		Not started	2016 - 21	
4		Maintain effective lifeline partnership arrangements	64. Support capability development of lifeline utilities	2	Gemo			In progress - on track		Refer ITF Section 5.3

			65. Maintain and review the WLUG Charter and business plan and report progress to CEG	2	Gemo	Annual		In progress - on track	2016 - 21	
Our structure										
	<i>Goal 8: To provide leadership and governance to deliver effective CDEM outcomes.</i>									
	Strategic Objectives	Issue/ Opportunity	Actions	Priority	Respon party	Calendar Year	Comments	Progress	Timing	Notes
1		Develop and resource work programme	66. Establish CDEM Group-wide work programmes, including securing funding	1	Combined	Annual		In progress - behind	2016 - 21	
			67. Agree financial delegations between the Group Controllers, Local Controllers and the Joint Committee	1	Combined	2019		In progress - behind	2016 - 17	
2		Enhance coordination and integration	68. Review the CDEM delivery model to achieve greater coordination of work programmes	3	Combined		Aligned with the EMSR	Not started	2016 - 17	
			69. Consider the establishment of a Group Relief Fund	2	Combined	2020			2017 – 18	

Monitoring and evaluation										
	Goal 9: Monitor the effectiveness of CDEM delivery									
	Strategic Objectives	Issue/ Opportunity	Actions	Priority	Respon party	Calendar Year	Comments	Progress	Timing	Notes
1	Progress towards the CDEM Group Plan objectives and outcomes is monitored across all group members and partners	Monitoring and reporting is largely input-based and focused on GEMO activities	70. KPIs established that are specific and measurable and each Member is required to report against these	2	Combined	Quarterly		In progress - on track	2016 - 21	
			71. MCDEM Capability Assessment Review (including moderated assessments for each Waikato CDEM Group member)	2	Combined	2019	Impacted upon by MCDEM National Strategy	Not started	2019	
			72. Review CDEM Group Plan	1	Combined	2019		Not started	2020	
		Lack of transparency and accountability in CDEM Delivery	73. Evaluation and reporting of achievement against all work programmes (aligned to actions and objectives in this plan)	1	Combined	Quarterly		In progress - behind	2016 - 21	
			74. Develop a performance framework to measure and monitor progress towards strategic planning for recovery.	3	Gemo			Not started		

			75. Establish reporting programme to provide oversight that CDEM partners are meeting their responsibilities under the national CDEM plan	1	Gemo	Annual		Not started	2016 - 21	
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Goal 8: To provide leadership and governance to deliver effective CDEM outcomes

Strategic Objectives	Actions				
	Develop and resource work programme	66. Establish CDEM Group-wide work programmes, including securing funding	1	Gemo	
		67. Agree financial delegations between the Group Controllers, Local Controllers and the Joint Committee	2	Combined	
	Enhance coordination and integration	68. Review the CDEM delivery model to achieve greater coordination of work programmes	2	Gemo	
		69. Consider the establishment of a Group Relief Fund	3	Combined	

Monitoring and Evaluation

Goal 9: Monitor the effectiveness of CDEM delivery

Strategic Objectives	Actions				
Progress towards the CDEM Group Plan objectives and outcomes is monitored across all group members and partners	Monitoring and reporting is largely input-based and focused on GEMO activities	70. KPIs established that are specific and measurable and each Member is required to report against these	2	Combined	
		71. MCDEM Capability Assessment Review (including moderated assessments for each Waikato CDEM Group member)	2	Combined	

		72. Review CDEM Group Plan	1	Combined
	Lack of transparency and accountability in CDEM Delivery	73. Evaluation and reporting of achievement against all work programmes (aligned to actions and objectives in this plan)	1	Combined
		74. Develop a performance framework to measure and monitor progress towards strategic planning for recovery.	3	Gemo
		75. Establish reporting programme to provide oversight that CDEM partners are meeting their responsibilities under the national CDEM plan	1	Gemo

Attachment C

TVEOA Budget 2018 – 2028

TVEOA	2018/19	2019/20	2020/21	2021/22 to 2027/28 pa
Income:				
Hauraki District Council. (26%)	\$101,488	\$101,488	\$101,488	\$101,488
Matamata-Piako District Council (28%)	\$109,295	\$109,295	\$109,295	\$109,295
Thames-Coromandel District Council (46%)	\$179,556	\$179,556	\$179,556	\$179,556
Sundry Income	\$1,500	\$1,500	\$1,500	\$1,500
Income	\$391,840	\$391,840	\$391,840	\$391,840
<i>Carry fwd prior year surplus</i>	<i>\$15,000</i>	<i>\$15,000</i>	<i>\$15,000</i>	<i>\$15,000</i>
TOTAL INCOME	\$406,840	\$406,840	\$406,840	\$406,840
Overhead Expenses:				
Total Administration Costs	\$61,390	\$61,390	\$61,390	\$61,390
Total CDEM Costs	\$34,800	\$34,800	\$34,800	\$34,800
Total Depreciation	\$36,350	\$36,350	\$36,350	\$36,350
Total Repairs and Maintenance	\$3,800	\$3,800	\$3,800	\$3,800
Total Staff Costs	\$252,400	\$252,400	\$252,400	\$252,400
Total Training Costs	\$18,100	\$18,100	\$18,100	\$18,100
TOTAL EXPENSES	\$406,840	\$406,840	\$406,840	\$406,840

CAPITAL EXPENDITURE				<i>2021-2028</i>
Office Furniture & Equipment	0	3000	5500	11500
Computer Hardware/Software	2700	2700	3000	19500
Plant	1000	1000	11000	12000
Radios	9000	0	0	15000
Vehicles (Purchase Cost - TradeIn)	0	30000	20000	50000
Total Capital Expenditure	12700	36700	39500	108000
To be funded by:	<i>2018/2019</i>	<i>2019/2020</i>	<i>2020/2021</i>	<i>2021-2028</i>
Cash at 1 July	\$58,847	\$67,497	\$52,147	\$33,997
Cash in (receivables i.e. total income excl. GST)	\$391,840	\$391,840	\$391,840	\$2,742,880
Cash out (payables i.e. cash expenses and cape	-\$383,190	-\$407,190	-\$409,990	-\$2,739,880
Cash at 30 June	\$67,497	\$52,147	\$33,997	\$36,997

Notes:

Note 1: No annual cost adjustment

Note 2: Expenses

Note 3: Funding of Capital Expenditure Budget

Note 4: Capital Expenditure 2021-2028

There has been no allowance made to the annual figures for any inflation cost adjustment

Operating expenditure not funded by annual income is intended to be funded through past years surpluses subject to a positive cash flow forecast for that Capital expenditure not funded by annual depreciation is intended to be funded through past years surpluses subject to a positive cash flow forecast for that financial year.

The capital expenditure and funding figures shown 2021 - 2028 are the cumulative total cost 2021-2028 not a per annum figure as shown with the operating expenses

Attachment D

TVEOA Financial Report for the period ending 31 Jan 2019

Profit and Loss

Income	Annual Budget	YTD Actual	YTD Budget	YTD Var
Council Contributions				
Hauraki DC	\$ 101,488	\$ 76,116	\$ 76,116	\$ 0
Matamata-Piako DC	\$ 109,295	\$ 81,971	\$ 81,969	\$ 2
Thames-Coromandel DC	\$ 179,556	\$ 134,667	\$ 134,667	\$ -
Total Council Contributions	\$ 390,340	\$ 292,754	\$ 292,752	\$ 2
Interest Income	\$ 1,500	\$ 894	\$ 875	\$ 19
Sundry Income	\$ -	\$ -	\$ -	\$ -
Total Income	\$ 391,840	\$ 293,649	\$ 293,627	\$ 22
Less Operating Expenses				
Administration Costs	\$ 61,390	\$ 23,760	\$ 31,976	-\$ 8,216
Repairs and maintenance	\$ 3,800	\$ 180	\$ 2,219	-\$ 2,039
CDEM Costs	\$ 34,800	\$ 19,610	\$ 19,694	-\$ 84
Depreciation	\$ 36,350	\$ 22,712	\$ 21,203	\$ 1,509
Staff Costs	\$ 252,400	\$ 104,657	\$ 145,331	-\$ 40,674
Training and Development	\$ 18,100	\$ 7,352	\$ 9,500	-\$ 2,148
Total Operating Expenses	\$ 406,840	\$ 178,272	\$ 229,923	-\$ 51,651
Net Deficit	-\$ 15,000	\$ 115,377	\$ 63,704	\$ 51,673

Notes

Net Deficit Budget TVCDEM approved for 2018/19 included \$15000 of prior years surplus resulting in a budgeted net deficit of \$15000

Staff costs Includes a reversal of June 2018 Holiday pay accrual \$12609
Staff costs to 23 January 2019. Note Under budget due to reduction of staff

Repairs and maintenance Reactive budget with quarterly allowance (if and when) required

Financial position

Assets	
Bank	\$ 191,729
Accounts receivable	\$ 51,622
Fixed Assets	\$ 135,539
Total Assets	\$ 378,890
Liabilities	
Accounts payable	\$ 1,838
Goods and services tax	-\$ 8,062
Employee entitlements	\$ 3,149
Total liabilities	-\$ 3,074
Net assets	\$ 381,964

Projected Cash Position 30 June 2018

243,351	BANK + A/c receivable
98,191	Balance Budgeted income
- 3,074	liabilities
- 108,141	Balance budgeted expenditure
0	Capex YTD
0	Reserve- Asset Replacement Plan
230,328	Cash projection 30 June 2019
<i>Note: With the current hold on capex purchases the balance current year capex budget and reserve for asset replacement has been set at 0.</i>	
<i>Balance budgeted income is the 4th Quarter Councils Levy due to be invoiced March 2018.</i>	
132,746	Cash projection 30 June 2019 if 4th Quarter Levy not invoiced

Attachment E**TVEOA Fixed Asset Schedule with Book Values as at 30 June 2019**

Asset	Purchase Date	Purchase Price	Description	Book Rate	Book Value 30 Jun 2019
Office Fitting					
Office Carpet	1/07/1997	2,363	Office Carpet	20	-
Meeting Room Alterations	7/06/2000	2,228	Meeting Room Alterations	10	-
Meeting Room - Wiring, Power & Phones	10/07/2001	6,000	Meeting Room - Wiring, Power & Phones	10	-
Air Conditioning Installation	19/12/2001	3,504	Air Conditioning Installation	10	-
Blinds - TVEOA Office	30/06/2012	1,746	Blinds - TVEOA Office	20	-
Airconditioning Unit Panasonic E12 in EMO Office	10/10/2013	2,155	New Airconditioning Unit Panasonic E12 in EMO Office	13.5	482
Carpet TVEOA offices and EOC	6/12/2013	6,120	Supply and Installation of Carpet TVEOA offices and EOC 1 Unit in Manager Office	30	-
2 Air Conditioning Units and drain pumps	1/04/2015	4,631	1 Unit in EOC	13.5	1,974
Total Office Fittings					2,456
Office Furniture and Equipment					
Office Furniture & Fittings	1/07/1997	1,500	Office Furniture & Fittings	20	-
Focus Office Furniture	1/06/1999	735	Focus Office Furniture	20	-
Focus Office Furniture	18/04/2000	805	Focus Office Furniture	20	-
Focus Chairs	30/06/2001	320	Focus Chairs	20	-
Focus Shelves	30/06/2001	550	Focus Shelves	20	-

Focus Chairs	12/09/2001	280	Focus Chairs	20	-
24 hr Clock	12/09/2001	577	24 hr Clock	20	-
Focus Desk (1500x800)	9/01/2002	295	Focus Desk (1500x800)	20	-
Focus Office Furniture	3/04/2003	1,315	Focus Office Furniture	20	-
Focus Plan Desks	1/12/2003	590	Focus Plan Desks	20	-
Ibico Binding Machine	15/03/2007	1,155	Ibico Binding Machine	20	-
Credenza - 1800 x 2	19/12/2011	1,087	Credenza - 1800 x 2	20	-
Credenza - 1800	21/03/2012	588	Credenza - 1800	20	-
Credenza - 1200	23/04/2012	326	Credenza - 1200	20	-
8 Tables 1200*600 for EOC	15/08/2012	1,720	8 Tables 1200*600 for EOC	10	545
2 Tables EOC 1500*600	13/03/2013	550	2 Tables EOC 1500*600	10	206
Electric Cubit Desk	2/11/2017	738	Desk Electric Cubit Highrise 1500x800mm	8.5	639
Desk Electric Cubit Highrise	17/09/2018	738	Desk electric cubit highrise 1500x800mm	8.5	686
Office Furniture and Equipment					2,076
Computer and Display Equipment					
Compucom Computer	14/11/2001	5,290	Compucom Computer	20	-
Compaq NX9010 Laptop	1/12/2003	3,506	Compaq NX9010 Laptop	20	-
LCD Monitors (2)	1/12/2004	1,900	LCD Monitors (2)	20	-
22" LCD Monitor	1/12/2004	1,338	22" LCD Monitor	20	-
Compaq NW8240	10/04/2006	3,556	Compaq NW8240	20	-

Viewsonic Monitors VE710B (3)	21/09/2006	1,050	Viewsonic Monitors VE710B (3)	20	-
HP NC8430 Core 2 Duo T2400	22/05/2007	3,018	HP NC8430 Core 2 Duo T2400 + HC-HNB 1488 dockings	20	-
HP8510 Computer	11/12/2007	2,845	HP8510 Computer	20	-
HP Laptop	10/06/2011	2,640	HP Laptop	20	-
HP Folio Laptop	21/12/2012	1,750	HP Folio Laptop	20	-
Netgear Prosafe WNDA p360 Access Point	28/06/2013	560	Netgear Prosafe WNDA p360 Access Point	20	-
HP Probook 450G1 Serial No 2CE4070LTP	30/04/2014	921	HP Probook 450G1	40	-
HP Probook 450G1 Serial No 2CE4070LT7	30/04/2014	921	HP Probook 450G1 Serial No 2CE4070LT7	40	-
HP Probook	11/11/2014	765	HP Probook 450 G2 i3-4210u, 15.6" screen	20	51
HP Probook	11/11/2014	765	HP Probook 450 G2 i3-4210u, 15.6" screen.	20	51
HP Probook 430 13.3"	12/06/2015	1,056	HP Probook 430 13.3" i5 Serial number CND5153JW2	20	194
Lenovo V110 Notebooks x 2	29/06/2017	1,660		40	277
HP Probook 430 G5 i5	1/02/2018	1,669	Manager laptop Kingston 240 GB SSD Drive	40	1,335
DiskStation DS218+ (NAS)	20/03/2018	1,129	DiskStation DS218+ (NAS)	40	527
1 x Lenovo Notebook, Incl set-up & Labour	25/06/2018	1,230	Lenovo V110 Notebook 15.6"	40	697
1 x Lenovo Notebook Incl set-up & Labour	25/06/2018	1,230	Lenovo V110 Notebook 15.6"	40	697
1 x Lenovo Notebook, Incl set-up & Labour	25/06/2018	1,230	Lenovo V110 Notebook 15.6"	40	697
1 x Lenovo Notebook Incl set-up & Labour	25/06/2018	1,230	Lenovo V110 Notebook 15.6"	40	697
HP ProBook 430 13.3" i5G5 Touch	1/10/2018	1,630	EMO HP ProBook 430 13.3" i5G5 Touch	40	1,141
Computer and Display Equipment					6,363

EOC and Display items					
Display Frame	1/07/1997	4,323	Display Frame	10	-
Loud Hailer	1/07/1997	500	Loud Hailer	10	-
Panasonic Whiteboard	1/07/1997	2,195	Panasonic Whiteboard	20	-
Whiteboards & Screens	1/07/1997	750	Whiteboards & Screens	20	-
Projector Screen (EOC)	26/07/2001	338	Projector Screen	20	-
Diplomat Projector Screens	1/07/2003	1,200	Diplomat Screens (2)	20	-
Welfare Signage	1/11/2005	2,268	Welfare Signage	10	-
LV7365 Data Projector (3000 Lumens)	1/10/2008	2,350	LV7365 Data Projector	20	-
Sanyo 2000 Data Projector	23/04/2012	3,505	Sanyo 2000 Data Projector	20	-
Samsung LED TV 55" plus Bracket	18/07/2012	2,432	Samsung LED TV 55"	20	-
Panasonic Plasma TV 42" plus Brackets	18/07/2012	679	Panasonic Plasma TV 42"	20	-
Panasonic Plasma TV 42" plus Brackets	18/07/2012	679	Panasonic Plasma TV 42"	20	-
2 xDigitex Tear Drop Banners	23/11/2012	665	2 xDigitex Tear Drop Banners	10	227
Nomadic Display and Case	31/10/2014	5,170	Nomadic Display Board and Case	20	259
Conference Telephone.Konftel 55W	24/03/2016	1,059	Phone Conference Konftel 55W Wireless Bluetooth USB	30	-
Smart Kapp 42" Capture Board	24/07/2017	949		30	380
SMART KAPP 84 Inch MPDC	19/01/2018	1,692	SMART KAPP 84 Inch Capture Board Located at MPDC	30	931
1 x 84" SMART Kapp Board for TVEOA EOC	4/05/2018	1,785	SMART KAPP 84 Inch Capture Board Located at TVEOA EOC	30	1,160
EOC and Display items					2,956
Communication Equipment					

Motorola Charger	1/07/1997	700	Motorola Charger	10	-
Motorola GP300 H/H Radios (12)	1/07/1997	14,135	Motorola GP300 H/H Radios (12)	10	-
Maxon Radios & Accessories	27/01/2000	699	Maxon Radios & Accessories	10	-
LG VCR	25/06/2003	292	LG VCR	20	-
Panasonic Telephone System	19/09/2005	4,941	Panasonic Telephone System	20	-
Iridium Satellite Phone	16/11/2007	2,950	Iridium Satellite Phone	10	-
BGAN Explorer Satellite Terminal	13/10/2010	8,555	BGAN Explorer Satellite Terminal	10	1,071
Mobile Team Talk Radios	1/03/2014	1,624	Mobile Team Talk Radios	30	-
Mobile Team Talk Radios	1/03/2014	1,624		30	-
Mobile Team Talk Radios	1/03/2014	1,624	Mobile Team Talk Radios	30	-
Dipole VHF Whangamata Fire Station	30/11/2017	732		10	610
iPhone 8 256GB - Space Grey & Case for Manager	12/12/2017	1,360	iPhone 8 256GB - Space Grey	40	499
Spectra Repeater for Mt Misery	31/01/2018	6,530	Mt Misery (Morrinsville) Spectra Repeater VHF, PSU, Battery Backup, Duplexer, Dipole, Mast in Cabinet.	10	5,551
Refurbishment Waiotahi Repeater	12/02/2018	4,525	Refurbishment of Waiotahi Repeater including fitting new deep cycle AGM Battery and Helicopter Charter	10	3,884
Waiotahi Repeater Upgrade	19/09/2018	1,304	Waiotahi Repeater Upgrade		
1 x Fleet Link MCX760 Mobile Radio (2nd Hand) + Carry Case	30/06/2018	1,335	Commercial Folded Dipole E Band - 2nd Hand	30	978
1 x Fleet Link MCX760 Mobile Radio (2nd Hand) + Carry Case	30/06/2018	1,335	1 x Fleet Link MCX760 Mobile Radio (2nd Hand)	30	901
1 x Fleet Link MCX760 Mobile Radio (2nd Hand) + Carry Case	30/06/2018	1,335	1 x Fleet Link MCX760 Mobile Radio (2nd Hand) + Carry Case	30	901
1 x Fleet Link MCX760 Mobile Radio (2nd Hand) + Carry Case	30/06/2018	1,335	1 x Fleet Link MCX760 Mobile Radio (2nd Hand) + Carry Case	30	901
1 x Fleet Link MCX760 Mobile Radio (2nd Hand) + Carry Case	30/06/2018	1,335	1 x Fleet Link MCX760 Mobile Radio (2nd Hand) + Carry Case	30	901
Galaxy S9 256GB	10/10/2018	1,390	Samsung Galaxy S9 256GB mobile phone EMO	40	973

Battery for BGAN Unit + Freight charge - BGAN Unit Refurbishment	16/10/2018	578	Explorer 700 rechargeable battery for BGAN Unit	20	491
Tait handheld radio	31/10/2018	1,390	Tait Handheld Radio to remotely change Repeater Channels	30	1,077
Communication Equipment					18,736
Vehicles					
VHF Radio for PRFO Vehicle (JSU468)	1/07/2017	867		30	347
Emergency lighting, PA & siren, LMR & IGC radios & Aerial installed PRFO Vehicle (JSU468)	1/07/2017	2,211		13.5	1,614
2016 Isuzu D-Max LX 4UTa 3.0 4WD	1/07/2017	31,003		13.5	22,632
1 x VMS Trailer	22/03/2018	18,900	VMS Trailer Rego 9J931	10	16,380
1 x VMS Trailer	22/03/2018	18,900	VMS Trailer, Rego No. 9J906	10	16,380
Subaru Outback 2.5i Premium SLT	26/06/2018	43,212	Subaru Outback 2.5i Premium SLT - Rego LLJ680	13.5	36,892
Lights & Siren on LLJ680	14/09/2018	3,111	LEDS, Siren Speaker for LLJ680	13.5	2,761
Vehicles					97,006
Total Book Value Fixed Assets as at 30 June 2019					129,593

2019 Local Election Matters

Trim No.: 2106428

Executive Summary

The purpose of this report is to provide statutory guidance to Council and obtain decisions with regard to the 2019 Triennial Elections.

Council is asked to decide upon the following matters for the 2019 Triennial Elections:

1. The order of candidates' names to appear on voting documents.
2. Election communication protocols for the elections.

Legislation provides that candidates' names on voting documents may be arranged in alphabetical order of surname, random order (all documents have a different order) or pseudo random order (i.e. one randomised order for all voting documents).

A guide prepared by the Controller and Auditor-General entitled *Good Practice for Managing Public Communications by Local Authorities* (April 2004) addresses the issue of Council communications in the pre-election period. The 2004 guide recommends that all Councils consider adopting a formal communications policy framed to suit their particular needs. It states that the policy should embrace the Auditor-General's guidelines (or a variation of them appropriate to the circumstances) and clearly direct elected members, and staff on how the policy is to be applied in particular circumstances (e.g. during the pre-election period).

Recommendation

That:

1. The report be received.
2. The names of the candidates for the Matamata-Piako District Council elections on 12 October 2019 are to be arranged on the voting documents in:
 - a) Alphabetical order of surname; OR
 - b) Random order; OR
 - c) Pseudo-random order.
3. Council adopts principles as set out in the Controller and Auditor General "Good Practice for Managing Public Communications by Local Authorities" – in particular principles 12 and 13.

Content

Electoral staff

The 2019 Triennial Elections will be held on the 12 October 2019.

Dale Ofoske, of Independent Election Services Ltd (Election Services) is Council's Electoral Officer (EO). Council appointed the EO at its meeting on 22 November 2017. The 2019 elections will be undertaken by Election Services, under contract to Council.

Previously Council staff members Sandy Barnes, acted as Council's EO and Mr Dennis Bellamy as the Deputy EO.

Council is required to have an EO at all times, with the EO's accountabilities defined by statute and they are ultimately responsible for the conduct of the election.

An EO, unless he or she dies, resigns, is dismissed from office, or becomes incapable of acting, remains in office until his or her successor comes into office.

The EO must appoint a Deputy EO. The deputy will act as EO if the EO dies, resigns, is dismissed, or becomes incapable of acting. The deputy EO has the full powers of an EO and must continue to act until the EO regains capability or a new EO is appointed.

Niall Baker (Senior Policy Planner) will be the Council's Deputy EO. The Deputy EO will provide the on-site support and liaison for the elections, for example receiving nominations.

The EO can appoint Electoral Officials to assist with the election process (for example customer service staff).

The statutory principles in section 4 of the Local Electoral Act 2001 (Act) include public confidence in electoral processes through elections being managed independently from the elected body.

Order of candidate names

In accordance with clause 31(1) of the Local Electoral Regulations 2001 Council may make a decision about the order in which candidates' names appear on voting documents. If Council does not wish to make a decision on this matter, legislation provides for a default position of alphabetical order of surname.

The order of candidates' names option must be included in the notice published by the EO as soon as practicable after the close of nominations (12 August 2019). If the decision was made to have pseudo-random order the notice must include the date, time and place at which the order of the candidates' names will be arranged and any person is entitled to attend (Local Electoral Regulations 2001 sections 31(2) and 31(4)).

Council is asked to consider and decide on the order for the listing of candidate's names on voting documents. The options are:

- a) **Alphabetical Order** – The candidate's surnames are arranged in alphabetical order of surname on the voting documents.
- b) **Random Order** – A computer programme generates the order in which the names of candidates are listed on the voting document (i.e. randomised). Therefore, each voting document will have the list of candidate's names in a different order.
- c) **Pseudo-random Order** – Candidates' names are placed in a container, mixed together and then drawn out. The candidates' names will then be placed on all voting documents in the order in which they were drawn, displaying in the same order on every voting document. The draw must be witnessed by a Justice of the Peace.

Considerations

In the Report of the Justice and Electoral Select Committee into the 2013 local authority elections the Committee recommended that the order of candidate names on all voting documents be completely randomised (i.e. 'true random') because the number of Councils using alphabetical

was declining and that costs, traditionally cited as an argument against random order, would not be significant.

The “random” option is considered to be a more equitable option to help defray the perception that those candidates with surnames at the beginning of the alphabet have an advantage under the “alphabetical” option. If Council does not determine the order by resolution, the legislation determines the candidates’ names will be arranged in alphabetical order of surname.

In terms of cost, there is no difference in printing between any of the three methods.

Council’s contractor, Election Services, carries out more local elections in alphabetical order than random or pseudo-random for both the private and public sectors. For the 2016 triennial elections that Election Services were responsible for, of the 20 territorial authorities, 13 retained alphabetical, 4 were pseudo-random and 3 were fully random. For the 6 regional councils, 3 were alphabetical and 3 were fully random. For the 8 DHBs, 2 were alphabetical and 6 were fully random. Most private sector elections prefer alphabetical order (candidates easier to find/vote for).

Mr Ofoske notes that where random order is used Election Services do receive a number of queries/complaints from electors that:

- They can’t find a candidate they want to vote for, and
- The order of candidates is different when several people (e.g. husband and wife) in the same household go to vote, the voting documents are different.

Mr Ofoske observes that name recognition, not the order, generally is a key factor in voting. Council may determine, by resolution, before the EO gives the further public notice he/she is required to give which order (of the three options outlined above) the candidates’ names are to be arranged on the voting document. If there is no applicable resolution the candidates’ names must be arranged in alphabetical order of surname on the voting document.

Another consideration is the relative ease/difficulty of different options in terms of navigating the voting documents along with candidate information. The candidate booklet must remain ordered alphabetically, which will be inconsistent with the voting documents should random order be implemented. This inconsistency may result in some confusion amongst voters as they compare an alphabetical candidate booklet with a randomised voting documents. This confusion could negatively impact voter turnout.

The Local Government Commission considered the issue of the impact on election outcomes of candidate order on voting documents in its *Review of the Local Government Act 2002 and the Local Electoral Act 2001*. It undertook some limited research from the 2007 elections and reviewed current international research. The Commission found that the issue is a complicated one and there is currently no definitive analysis that can be applied to local elections in New Zealand. It identified a number of factors that local authorities need to consider when addressing the issue of candidate order on voting documents, such as the degree of candidate name recognition.

In 2018, Auckland Council undertook an analysis of the impact of candidate order on election outcomes in the last three triennial elections (2010, 2013, 2016). The conclusion was that there is no compelling evidence that candidates being listed first were more likely to be elected in those elections.

Other Council decisions

Because the decision to determine the order in which candidates’ names are to appear on the voting document can be made by each Council, there is the possibility that all three options will be

used on the one voting document (i.e. Matamata-Piako, Waikato Regional Council and District Health Board elections).

The Society of Local Government Managers (SOLGM) notes this may cause some voter confusion and every effort should be made to minimise this risk by consultation between Councils in the region.

Across NZ for the 2016 triennial elections, 29 Territorial Authorities used random order, 32 used alphabetical and 6 used pseudo random. In 2016, Councils in the Waikato used the following:

Council	Order of candidate names used for 2016 triennial election
Hamilton	Random order
Hauraki	Alphabetical order
Otorohanga	Alphabetical order
Rotorua	Random order
South Waikato	Random order
Taupo	Random order
Thames-Coromandel	Alphabetical order
Waikato	Alphabetical order
Waikato District Health Board	Random order
Waikato Regional	Random order
Waipa	Alphabetical order
Waitomo	Alphabetical order

Council used the alphabetical option in 2016 however many Territorial Authorities and District Health Boards are now using the “random” option.

Hamilton City Council has opted to use random order for 2019. Other Councils in the region including Thames-Coromandel, Hauraki, Waitomo and Waikato District Councils are planning to make their decisions in the next couple of months.

Auckland Council resolved in December 2018 to retain the alphabetical order (noting that the three DHBs in their area all used random order in 2016).

Candidate profile booklet

The Candidate Profile Booklet is sent to all voters as part of the voting pack.

The Candidate Profile Booklet is published in alphabetical ascending order by surname. The candidate directory can only be printed in alphabetical order, irrespective of the order of names on the voting document.

Early processing of voting documents

Under section 80 of the Act, it is at the EO's discretion to determine whether early processing of voting documents occurs. Generally, this is regarded as good practice.

Previously, a resolution of Council was required, but this was changed with the passage of the Local Electoral Amendment Act 2013.

The progressive processing of votes during the voting period is now a decision made by the EO. The EO has confirmed they will undertake early processing.

It should be noted that this only involves:

- opening of envelopes;
- extracting of voting documents;

- checking for informal or duplicate votes;
- electronic capture and reconciliation of valid votes.

No tallying of votes is undertaken until after the close of voting on Election Day (12 noon, Saturday, 12 October 2019).

Counting, whether early processing has been adopted or not, may only take place after the close of voting.

A key element of vote counting is the determining of valid voting documents.

Election Communication Protocols

The EO urges Council to give consideration to its communication policy in the lead up to the elections.

The attached guide prepared by the Controller and Auditor-General entitled *Good Practice for Managing Public Communications by Local Authorities* (April 2004) addresses the issue of Council communications in the pre-election period. The guide recommends that all Councils consider adopting a formal communications policy framed to suit their particular needs. It states that the policy should embrace the Auditor-General's guidelines (or a variation of them appropriate to the circumstances) and clearly direct elected members, and staff on how the policy is to be applied in particular circumstances (e.g. during the pre-election period, which is 12 July-12 October 2019).

The general principles (as listed in this document) are:

- Councillors remain responsible for the business as usual activities of Council.
- Ordinary business of Council (including communication) has to continue during the pre-election period.
- Public funds should not be used for electioneering or the benefit of one candidate over another.
- Council staff need to maintain their neutrality.

The 2004 guidelines have not been updated/superseded and still apply for the 2019 triennial election.

A Council communications policy should address, among other things, issues such as:

- Elected members' use of Council communications facilities (e.g. stationery, postage, internet, social media, e-mail, smartphones, tablets, telephones etc.) during the pre-election period
- Elected members' use of Council communications channels (e.g. local authority funded newsletters to constituents, mayoral or members' columns in Council publications, social media channels) during the pre-election period
- Council dealings with the media.

Another useful document is the attached extract from the Controller and Auditor-General Parliamentary Paper titled "*Local Government Results of the 2008/09 audits*".

Staff will be provided with a summary of these principles shortly (staff protocols).

Election timetable

A copy of the election timetable is attached for information.

Candidate briefing evenings

Historically we have not had significant interest in these evenings so it is proposed to use a series of video produced by LGNZ Equip that can be viewed on our website instead. This would ensure nationally consistent messaging about the role of Councils. Additional video with local content will also be made with a welcome/introduction from the CEO.

Discussions with the Communications team are progressing on our election communications approach.

Quality Assurance & Risk Mitigation

A W.O.F. document has been prepared from the questions recommended by SOLGM and the Electoral Working Party. This document is updated as the process progresses and reported to the CEO. This will be reported to the Audit & Risk Committee at its meeting on 12 March 2018.

Attachments

- A. 2019 Election Timetable-2019
- B. Good Practice for Managing Public Communications by Local Authorities - OAG Guidelines, 2004
- C. Office of the Auditor General - Local government: Results of the 2008/09 audits. Part 12: Local authority elections - issues to watch out for

Signatories

Author(s)	Niall Baker Senior Policy Planner	
Approved by	Don McLeod Chief Executive Officer	



TIMETABLE Triennial election

Matamata-Piako District Council

12 OCTOBER 2019

Item 10.9

Attachment A

SATURDAY 12 OCTOBER 2019

Saturday 2 March - Tuesday 30 April 2019	Ratepayer roll enrolment confirmation forms sent [Reg 16, LER]
Saturday 2 March - Saturday 6 July 2019	Preparation of ratepayer roll [Reg 10, LER]
1 May 2019	Ratepayer roll qualifications insert with rates notices [Sec 39, LEA]
May 2019	National ratepayer roll qualifications and procedures campaign [Sec 39, LEA]
Monday 1 July 2019	Electoral Commission's enrolment update campaign commences
Sunday 7 July 2019	Resident 'check-it' roll closes [Reg 10, LER]
Wednesday 17 July 2019	Public notice of election, calling for nominations, rolls open for inspection [Sec 42, 52, 53, LEA]
Friday 19 July 2019	Nominations open / roll open for inspection [Sec 42, LEA]
Friday 16 August 2019	Nominations close (12 noon) / roll closes [Sec 5, 42, 55 LEA, Reg 21, LER]
Wednesday 21 August 2019	Public notice of day of election, candidates' names [Sec 65, LEA]
by Monday 16 September 2019	Electoral officer certifies final electoral roll [Sec 51, LEA, Reg 22, LER]
Friday 20 September 2019	Electoral Commission letter sent to unpublished roll electors
Friday 20 September - Wednesday 25 September 2019	Delivery of voting documents [Sec 5, LEA, Reg 51, LER]
Friday 20 September - Saturday 12 October 2019	Progressive roll scrutiny [Sec 83, LEA] Special voting period [Sec 5 LEA, Reg 35, LER] Early processing period [Sec 80, LEA]
by Friday 11 October 2019	Appointment of scrutineers (12 noon) [Sec 68, LEA]
Saturday 12 October 2019	Election day [Sec 10, LEA] Close of voting (12 noon) [Sec 84, LEA] Progress and preliminary results available as soon as practicable after close of voting [Sec 85, LEA]
Saturday 12 October (pm) - Thursday 17 October 2019 (or as soon as practicable)	Official count [Sec 84, LEA]
Thursday 17 October - Wednesday 23 October 2019	Declaration of result/public notice of declaration [Sec 86, LEA]
mid-December 2019	Return of electoral donations & expenses form [Sec 112A, LEA]

LEA = Local Electoral Act 2001

LER = Local Electoral Regulations 2001



**The Controller and
Auditor-General**
Tumuaki o te Mana Arotake

**Good Practice
for Managing
Public Communications
by
Local Authorities**

April 2004

Foreword

We first published our *Suggested Guidelines for Advertising and Publicity by Local Authorities* in 1996. We published a revised version of those *Guidelines* in 1999.

Since 1999, a number of factors have contributed to significant change in the environment in which local authorities are involved in “advertising and publicity”. Probably the two major factors are the advances in communications technology and the rate of adoption of the new technology, and (more recently) the enhanced requirements for communication in the Local Government Act 2002.

We saw as a consequence of that significant change the clear need to revisit the *Guidelines* to reassess their validity and determine what changes might be needed to preserve their usefulness. This publication reflects the fresh approach we have taken to the subject – still principles-based, but with an emphasis on the wider concept of “communication” rather than “advertising and publicity”.

As previously, this update represents what we believe is a code of good practice. The guidance it contains is no more authoritative than that. Further, the guidance is intended neither to be an operating manual nor to cover every conceivable situation.

Local authorities will have to determine what practical application they make of our good practice guidance in particular situations. To do so, and to reflect the more open approach to disclosing how local government manages itself, we recommend that the adoption and application of the guidance in this publication be incorporated in a formal communications policy.



K B Brady
Controller and Auditor-General

14 April 2004

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1 Introduction

The importance of Council communications

- 1.1 Communication with the public is a major part of any Council's activities. It can consume large amounts of ratepayers' money.
- 1.2 Some types of public communications are mandatory – for example, notifying Council meetings, or issuing a statutory plan for consultation. Others are discretionary – for example, a Council-funded newsletter, a media release explaining a recent decision, or a pamphlet about disposal of household waste.
- 1.3 Councils communicate with the public by many different means. For any communication, a Council has a broad range of choices – both as to the medium to be used (e.g. whether to pay for newspaper advertising or use the Council's web site) and the degree of sophistication involved.
- 1.4 Choice introduces judgment and subjectivity. The dilemma of the communicator is in reconciling the potentially conflicting criteria of:
 - making the communication attractive so that the audience will give it their attention, absorb it, understand it, and (if that is what is expected) act on it;
 - meeting acceptable standards of probity; and
 - presenting accurate, complete, and fairly expressed information.
- 1.5 The skill required of the communicator is to observe the relevant principles and apply the highest possible standards, and, importantly, to learn from experience.

Why this guide?

- 1.6 Communication of information at public expense or in an official capacity always carries the risk of criticism. The commonest complaints (except for statutory notifications) are that a communication is unnecessary, unbalanced, or politically biased. The best defence to any complaint is that the communication meets acceptable standards.
- 1.7 The Auditor-General is often asked to express a view on whether a particular communication is acceptable. Some requests come from the Council, before publication. Others come from members of the public afterwards, complaining about what has been done.

- 1.8 Until 1996, there was no authoritative guidance as to what standards were acceptable in Council communications. Our suggested guidelines – first published in that year, and now updated for the second time – have aimed to fill that vacuum. Just as we bring an independent perspective to our job as the auditor of local authorities, we try to describe good practice that reflects not only the theory and practice of communications but also the expectations of the public.
- 1.9 We derive our guidance from:
- our knowledge of the kinds of official communications that may cause concern in both the central and the local government sectors;
 - our experience, not only in giving help to communicators but also in dealing with complaints from the public; and
 - our consultations with a range of Council communications staff and advisers and with Local Government New Zealand.
- 1.10 The feedback we received from our consultations was that independent guidance is a valuable and necessary aid, not only for Council Members but also for communications staff and advisers. Guidance can:
- provide a general framework for the conduct of a Council's communications activities;
 - help with clarifying roles and responsibilities – especially as between Members and communications staff and advisers; and
 - set benchmarks for particular types of communications – especially as to what is acceptable in the political context and at critical times such as during a pre-election period.

The objects and scope of the guide

- 1.11 The statements of good practice in this guide are designed to meet three objectives in relation to a Council's communications practices:
- to ensure that Council communications resources are applied effectively and efficiently, and in a manner that produces good value for money;
 - to ensure that those who are permitted to use Council communications facilities do so for legitimate purposes; and
 - to promote appropriate standards of conduct by those who consume Council communications resources, or use Council facilities, or otherwise communicate on behalf of the Council.

- 1.12 This wide scope is consistent with our role as the auditor of local authorities, which includes examining the extent to which they, and their members and staff:
- carry out activities effectively and efficiently, consistent with Council's own policies;
 - comply with statutory obligations;
 - avoid wasteful use of resources; and
 - act with probity and financial prudence.¹
- 1.13 The guide itself is produced under the authority of section 21 of the Public Audit Act, as a report on matters arising out of the performance and exercise of those functions.

What is the status of the guide?

- 1.14 Our guidance is not binding on Councils. Each Council is free to adopt its own standards – which must of course be consistent with the relevant principles of the Local Government Act 2002 (LGA).²
- 1.15 We recommend that every Council consider adopting a formal communications policy framed to suit its particular needs. The policy should:
- embrace these guidelines – or a variation of them (stricter or otherwise) that the Council considers appropriate to its circumstances; and
 - clearly direct Members and communications staff and advisers³ on how the policy is to be applied in particular cases.
- 1.16 Although this guide is not binding on Councils, they and the public should be aware that it establishes the criteria that we will use in future in order to form a view on the appropriateness of a Council's public communications.

¹ Public Audit Act 2001, section 16.

² Section 14 of the LGA.

³ Including those engaged as consultants.

2 Scope – What are “Communications”?

2.1 Our guidance applies to any communication by a Council, or a Member or employee or office holder of a Council, or a Member of a Community Board, where:

- the Council meets the cost (wholly or in part); or
- the person making the communication does so in an official capacity on behalf of the Council or a Community Board.

2.2 We make no distinction between:

- mandatory and discretionary communications;
- communications in the Council’s own publications and the news media generally;
- Council-funded advertisements and other forms of publicity; or
- electronic (including web site or e-mail) and hard copy publication.

The underlying principles are the same in each case.

2.3 Common examples of communications by Councils include:

- statutory documents – such as draft, final, and summary versions of the Long Term Council Community Plan or an Annual Report under the LGA;
- information on a web site, or in a poster or pamphlet, about Council services available to the public, or the rights, entitlements, and responsibilities of people affected by a Council activity;
- newspapers and newsletters reporting Council news and activities;
- material explaining a particular proposal, decision, policy, or bylaw of the Council;
- marketing material promoting the Council, its communities, or a regional brand;
- Council-funded advertising about a particular event, proposal, or Council policy;
- educational material about issues affecting the community; and
- media releases initiating or responding to public comment about matters affecting the Council or its communities.

- 2.4 In a different category are communications by Members using Council resources or facilities. We address this type of communication in paragraphs 4.33-4.40 on pages 19-20.
- 2.5 The guide does not apply to:
- normal day-to-day correspondence between Members and their constituents on appropriate matters, *except* during a pre-election period when the content of the correspondence should not be inconsistent with Principle 12 on page 22; and
 - communications by Members using their own resources.

3 Communications – Whose Responsibility?

- 3.1 Corporate governance principles stress the different roles of the governing body and the management of an organisation. For local authorities, section 39 of the LGA reflects these principles.
- 3.2 Members (i.e. the governing body) and management of a Council share different elements of the communications function. In essence:
- Members are accountable to the community for the Council's decisions and actions. What the Council says in its communications is, therefore, ultimately the Members' responsibility.
 - The mechanics of communications are operational activities, which form part of the everyday business of the Council. Moreover, effective communication often requires professional input. Most Councils employ (or engage on contract) professional advice and assistance for some or all of their communications activities. The chief executive is responsible for the effective and efficient management of those people and their activities.
 - Communications is also an area of risk. Those who are authorised to communicate on behalf of a Council, and those who exercise editorial or quality control, need to have access to sources of professional advice when necessary (including legal and strategic communications advice). Obtaining that advice is also a management responsibility.
- 3.3 The communications function thus straddles the divide between governance and management in the Council organisation. Each Council should allocate the respective roles and responsibilities according to its own size and needs. For example, in a small Council the Mayor might be the primary spokesperson on all issues, whereas in a larger Council the role might be shared between the Mayor and a communications manager.
- 3.4 The governance/management divide also affects the crucial elements of policy development, quality control, and editorial supervision. We think these elements are best regarded as management functions, for which the chief executive is responsible.
- 3.5 The respective roles and responsibilities need to be well understood by all concerned and put into practice effectively.⁴ This is especially important when the Council employs professional communications staff – who could, for example, feel undermined by Members intervening in editorial decisions.

⁴ See section 39(e) of the LGA. The local governance statement required by section 40 of the LGA could be the appropriate place to record particulars of the division of roles and responsibilities.

- 3.6 A useful approach is to regard the roles of Members and management as complementary, and to encourage everyone to work together in partnership for the good of the Council and the community.

4 Principles and Practice

- 4.1 In this section we set out 13 principles that we believe should underpin a Council's policy and practice on communications. We supplement each of the principles with commentary.
- 4.2 We stress that the principles are intended as general statements, which are to be applied in a flexible and common sense manner. Likewise, the commentary cannot expect to foresee all possible situations that might arise.

Legitimacy and justification

Principle 1 –

A Council can lawfully, and should, spend money on communications to meet a community's (or a section of a community's) justifiable need for information about the Council's role⁵ and activities.

- 4.3 Communications are a necessary and legitimate Council expense. Councils are also justified in employing, or otherwise engaging, professional advice and assistance for their communications activities.
- 4.4 However, no communication should be undertaken without justification or regard for the cost.
- 4.5 The main elements of justification are:
- establishment of an identifiable need for information on the part of a particular audience;
 - the chosen method of communication should be one that is effective in reaching those who have the need; and
 - once the method has been identified, the communication should be made in the most cost-efficient manner.
- 4.6 Consideration should also be given to evaluating the effectiveness of the communication. What is known to have been an effective communication supports the justification for that communication and can be a benchmark to support future communications.

⁵ *The role of a local authority is to—*
(a) *give effect, in relation to its district or region, to the purpose of local government ...;*
and
(b) *perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment.*
(LGA, section 11)

- 4.7 A communication will be lawful when it:
- is authorised by a Council resolution or under a delegation; and
 - complies with any specific legal requirements as to form, content⁶, timing, or method of publication⁷.
- 4.8 A Council can also exercise significant power over individuals and groups in the community. Consequently, a Council has an obligation to ensure those people know how they are being affected by the Council's actions, and what their rights and responsibilities are in relation to those actions.
- 4.9 Council communications are all the more important in the environment of the LGA. Consultation with the community is fundamental to the working of the Act, and effective communication is vital to effective consultation.

Principle 2 –

Communications should be consistent with the purpose of local government⁸ and in the collective interests of the communities the Council serves.

- 4.10 A Council is a corporate entity, with statutory role and purpose. The role and purpose include promoting the well-being of communities in its district or region. A Council may serve many communities, both in the geographical sense and in the sense of communities of interest. It should always act within the scope of its role and purpose, and in the collective interests of its communities.
- 4.11 Sometimes, a Council will need to communicate with only some of its communities about a particular issue, or with part of a community. But it should always be able to justify any communication as being in the collective interests of them all.

⁶ Including the avoidance of defamatory comment, or misleading or deceptive conduct under the Fair Trading Act 1986.

⁷ E.g. use of the special consultative procedure under the LGA.

⁸ *The purpose of local government is—*

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and

(b) to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

(LGA, section 10)

Principle 3 –

Communications should comply with any applicable Council policies and guidelines as to process (including authorisation) and content.

- 4.12 We encourage all Councils to adopt a policy on communications: see paragraph 1.15 on page 9.

Collective position

Principle 4 –

Communications on Council policies and decisions should reflect the collective position of the Council.

- 4.13 Wherever possible, the Council should “speak with one voice”, and its communications should represent the corporate or collective position.
- 4.14 A communication by an authorised spokesperson appointed by the Council (whether that person is a Member or an employee) should identify that person in his or her official capacity (for example, as a Committee chairperson). The purpose of the communication should always be to meet the Council’s, not the spokesperson’s, communications objectives. The person responsible should be careful to ensure that what is being said is portrayed as the Council’s position, not the personal views of the spokesperson.
- 4.15 Some Councils allow the Mayor to produce a regular “column” in a Council-funded or other local publication, or to make regular broadcasts on local radio or television. The purpose of such communications should be to give voice to the Council’s corporate position on its activities, through the elected leader.
- 4.16 Communication of a Member’s personal perspective, views or opinions (including in a regular “column”, broadcast, etc) should be the exception rather than the rule, and should be subject to Principles 9 to 11 (see pages 19-21).

Principle 5 –

Communications on Council business should always be clearly attributed to the Council as the publisher.

- 4.17 A communication might, for example, identify the Council by reference to the name of the Council or by use of its corporate logo. A communication designed to meet the Council’s statutory obligations (such as a draft annual plan) should not only say who authorised its publication (usually the chief executive officer) but also identify the statutory provision under which it is being published.

- 4.18 For commentary about the identification of sponsors, see paragraphs 5.3-5.7 on pages 25-26.

Standards of communication

Principle 6 –

Factual and explanatory information should be presented in a way that is accurate, complete, fairly expressed, and politically neutral.

- 4.19 **Accurate** means what it says. That which is held out to be true should be founded on ascertainable facts, and be carefully and precisely expressed consistently with those facts. No claim or statement should be made that cannot be substantiated.
- 4.20 A communication will be **complete** when it consists of all the information necessary for the audience to make a full and proper assessment of the subject matter.
- 4.21 Information will be **fairly expressed** when it is presented in an objective, unbiased, and equitable way. In particular:
- the audience should always be able to distinguish facts from analysis, comment, or opinion; and
 - when making a comparison, information should state fully and accurately the nature of what is being compared, and inform the audience of the comparison in a way that does not mislead or exaggerate.
- 4.22 Information will be **politically neutral** when it presents the Council's collective position, or, where there is no collective position, sets out the issues in a manner that does not refer to the positions taken by any individual Member or political party or group of Members.

Consultation and public debate

Principle 7 –

Communications about matters that are under consideration by the Council, or are otherwise a matter of public debate, should present the issues in an even-handed and non-partisan way.

- 4.23 Communications about matters that will be the subject of a future decision by the Council should be distinctly different from those that follow a decision.

- 4.24 In the “before” phase, all relevant facts and other considerations should be taken into account, and all significant points of view should be aired. The aim is to enable the Council to make itself aware of, and then to have regard to, the views of all its communities in relation to a particular decision⁹, while also meeting all its statutory obligations in respect of consultation¹⁰.
- 4.25 In particular, a “before” phase communication should:
- avoid the appearance and reality of bias or pre-determination – especially when summarising facts or arguments;
 - present the issues in an objective manner, avoiding subjective opinion or comment; and
 - mention both the advantages and the disadvantages of particular options.
- 4.26 Mention of individual Members’ or political parties’ positions should always be avoided.
- 4.27 In the “after” phase, the emphasis should be on what has been decided and its implications for the Council and its communities.
- 4.28 This principle applies whether the purpose of the communication is to satisfy LGA requirements, or otherwise.

Principle 8 –

If engaging in public debate with an interest group or a section of the community, a Council should use the news media (rather than a Council funded publication) and designated spokespersons (rather than professional communications advisers) unless there is a particular justification for not doing so.

- 4.29 A Council may be justified in responding to publicity that is unfair, unbalanced, or inaccurate. The object should be to put the record straight, including a measure of rebuttal.
- 4.30 But it is important to keep a balance and perspective. Council resources should not be used merely to engage in a public argument.
- 4.31 The preferred approach in such cases should be to make use of the news media, through release and publication of a written statement or making an authorised spokesperson available for interview. Use of Council-funded publications or professional advisers to engage in debate with interest groups could create the perception that Council resources are being used for the benefit of one section of the community against another, or in a way that results in an unequal public relations contest.

⁹ LGA, sections 14(1)(b) and 78.

¹⁰ LGA, sections 82-90.

- 4.32 An example of where a Council-funded publication to engage with an interest group could be justified is when the group has issued public statements encouraging citizens to commit acts of civil disobedience or to actively break the law.

Communications by Members

Principle 9 –

If the Council's Communications Policy permits them, communications by Members of their personal perspective, views or opinions (as opposed to communication of Council matters in an official capacity) should:

- **be clearly identified as such; and**
- **be confined to matters that are relevant to the role of local authorities¹¹.**

- 4.33 Members are collectively responsible for Council decisions. Communication of Council business to the community often falls to a designated spokesperson. See Principle 4 and paragraphs 4.13-4.15 on page 16.
- 4.34 But Members are also individually responsible to the communities that elected them. It is for the Council to decide whether and, if so, on what terms to make resources available to Members to communicate with constituents or the wider community in their capacity as individual Members.
- 4.35 An example of a communication that could involve a Member expressing personal views is a "Members' column" in a Council-funded newspaper or on a Council web site.
- 4.36 It is important that the Communications Policy, and the relevant part of the communications budget, also sets out clearly the limits in relation to such communications. The policy should say:
- What types of communications are permitted and in what circumstances, and the range of permitted subject matter.
 - Whether the material can or should be subject to editing and, if so, by whom.
 - What procedures apply in respect of authorisation, attribution, and editorial and quality control. These are for the Council to determine. However, whether or not material is edited, the Member must formally subscribe to what is being published.

¹¹ Under sections 10 and 11 of the LGA – see footnotes 5 (page 14) and 8 (page 15).

- 4.37 Note, however, that a Member's freedom to talk about Council business is subject to confidentiality requirements (such as under Standing Orders) and the Council's Code of Conduct – especially as regards Members' conduct towards each other and their disclosure of Council information.¹²
- 4.38 Here are our views on some other examples of a Member communicating personally:
- It is not appropriate for a Member to use a Council newsletter or web site to express views on a matter of central government responsibility (such as defence and foreign relations) that has no direct bearing on the Council's activities.
 - It may be appropriate (but only when the Council is undertaking no formal consultation process) for a Member to use Council facilities to consult with the public on an issue under consideration by the Council, or to explain his or her position on a contentious decision, but not to seek political support on an issue that the Council has not considered. References to, or the use of a logo or slogan of, a political party or grouping are unacceptable.
 - Members should not be permitted to use Council communications facilities for political or re-election purposes. (See Principles 12 and 13 on pages 22-24 for more information on communications in the pre-election period.)
 - Staff protocols on the use of the Internet, e-mail, and other communications facilities for personal purposes should also apply to Members. The minimal cost of allowing use of such facilities can easily be outweighed by the perception that public resources are being misused.

Principle 10 –

Politically motivated criticism of another Member is unacceptable in any Council-funded communication by a Member.

- 4.39 Neither the inherently adversarial nature of much Council politics nor the right of free speech can justify Council communications resources being used to enable one Member to engage in political debate with, or to criticise, another Member. Preventing such misuse should be an objective of the Council's policy on where editorial control and the power to authorise communications should lie.
- 4.40 Members are, of course, free to use their own resources for such purposes.

¹² LGA, Schedule 7, clause 15.

Members' personal profile

Principle 11 –

Care should be exercised in the use of Council resources for communications that are presented in such a way that they raise, or could have the effect of raising, a Member's personal profile in the community (or a section of the community). In permitting the use of its resources for such communications, the Council should consider equitable treatment among all Members.

- 4.41 Two related objectives underlie this principle:
- It is important that the public know who their Councillors are. Councils are justified in using, or in some circumstances permitting Members to use, Council facilities for communications that have the objective of raising a Member's personal profile.
 - Giving a "human face" to a piece of information can be an effective communications strategy to attract attention and make the information relevant and understandable to its audience.
- 4.42 It is acceptable for Councils to use photographs of Members, personal quotes/attributions, and other standard journalistic techniques provided they are consistent with these objectives. However, Councils need to bear in mind the inherent risks of favouritism and unequal treatment of members.
- 4.43 For example, a "photo opportunity" shot, in a Council-funded publication, of a Mayor or Committee Chairperson announcing a Council decision helps to draw the reader's attention to the decision, and thereby improve the effectiveness of its communication, but could also have an unintended and beneficial spin-off effect for the Member's personal or political profile in the community.
- 4.44 Allowing Members representing a particular Ward to issue their own newsletter to constituents could have a similar effect. There is nothing wrong with such an idea in principle. However, the principle of equitable treatment makes it important that the same communications opportunity is available to Members representing other Wards. Matters such as editorial and quality control and attribution should also rest with the Council's communications staff in accordance with Council policy.

Communications in a pre-election period¹³

Principle 12 –

A local authority must not promote, nor be perceived to promote, the re-election prospects of a sitting member. Therefore, the use of Council resources for re-election purposes is unacceptable and possibly unlawful.

- 4.45 Promoting the re-election prospects of a sitting Member, directly or indirectly, wittingly or unwittingly, is not part of the proper role of a local authority.
- 4.46 A Council would be directly promoting a Member's re-election prospects if it allowed the member to use Council communications facilities (such as stationery, postage, internet, e-mail, or telephones) explicitly for campaign purposes.
- 4.47 Other uses of Council communications facilities during a pre-election period may also be unacceptable. For example, allowing Members access to Council resources to communicate with constituents, even in their official capacities as members, could create a perception that the Council is helping sitting Members to promote their re-election prospects over other candidates.
- 4.48 For this reason, we recommend that mass communications facilities such as –
- Council-funded newsletters to constituents; and
 - Mayoral or Members' columns in Council publications –
- be suspended during a pre-election period.
- 4.49 Promoting the re-election prospects of a sitting Member could also raise issues under the Local Electoral Act 2001. For example:
- Local elections must be conducted in accordance with the principles set out in section 4 of the Local Electoral Act – see Appendix 1 on page 27. The principles apply to any decision made by a Council under that Act or any other Act, subject only to the limits of practicality. A breach of the principles can give rise to an "irregularity" which could result in an election result being overturned.¹⁴

¹³ By "pre-election period" we mean the three months before the close of polling day for the purposes of calculating "electoral expenses": see Local Electoral Act 2001, section 104. However, a Council may decide to apply restrictions over a longer period.

¹⁴ See *Aukuso v Hutt City Council* (District Court, Lower Hutt, MA 88/03, 17 December 2003).

- The publication, issue, or distribution of information, and the use of electronic communications (including web site and e-mail communication), by a candidate are “electoral activities” to which the rules concerning disclosure of electoral expenses apply.

4.50 “Electoral expenses”¹⁵ include:

- the reasonable market value of any materials applied in respect of any electoral activity that are given to the candidate or that are provided to the candidate free of charge or below reasonable market value; and
- the cost of any printing or postage in respect of any electoral activity.

4.51 A Member’s use of Council resources for electoral purposes could therefore be an “electoral expense” which the Member would have to declare – unless it could be shown that the communication also related to Council business and was made in the candidate’s capacity as a Member.

Principle 13 –

A Council’s communications policy should also recognise the risk that communications by or about Members, in their capacities as spokespersons for Council, during a pre-election period could result in the Member achieving electoral advantage at ratepayers’ expense. The chief executive officer (or his or her delegate) should actively manage the risk in accordance with the relevant electoral law.

4.52 Curtailing all Council communications during a pre-election period is neither practicable nor (as far as mandatory communications, such as those required under the LGA, are concerned) possible. Routine Council business must continue. In particular:

- Some Councils publish their annual reports during the months leading up to an October election, which would include information (including photographs) about sitting Members.
- Council leaders and spokespersons need to continue to communicate matters of Council business to the public.

¹⁵ Also defined in section 104.

- 4.53 However, care must be taken to avoid the perception, and the consequent risk of electoral irregularity, referred to in the commentary to principle 12. Two examples are:
- journalistic use of photographic material or information (see paragraph 4.42 on page 21) that may raise the profile of a Member in the electorate should be discontinued during the pre-election period; and
 - access to Council resources for Members to issue media releases, in their capacities as official spokespersons, should be limited to what is strictly necessary to communicate Council business.
- 4.54 Even if the Council's Communications Policy does not vest the power to authorise Council communications solely in management at normal times, it should do so exclusively during the pre-election period.

5 Other Commonly Arising Issues

Use of surveys and market research

- 5.1 Councils should target their communications resources to best effect. In appropriate cases, professional advice should be sought, and soundly obtained survey and market research information may be used.
- 5.2 Councils should meet acceptable standards in survey and market research information. To assist Councils to meet those standards:
 - we reproduce in Appendix 2 on page 28 the ten principles identified by Statistics New Zealand underpinning its *Protocols for Official Statistics*; and
 - they can find useful guidance in the Statistics New Zealand publication *A Guide to good survey design*¹⁶.

Joint ventures and sponsorship

- 5.3 Many Councils seek to be involved with their communities, and may engage in collaborative ventures with other public agencies and business and community groups.¹⁷ Communication (for example, to promote public education or changes in people's behaviour) may be a feature of such ventures.
- 5.4 There is no reason in principle why a Council should not join with another agency or group to publish information for the benefit of the community – provided the activity is consistent with the Council's role and purpose. The use of private or community sponsorship for a Council communication may be a feature of such co-operation.
- 5.5 Examples of joint communication could include:
 - a joint venture with the Police to issue information about individual and community safety in the Council's district; and
 - the use of business sponsorship for a Council advertisement of a community event.

¹⁶ ISBN 0-477-06492-2; revised July 1995. Copies can be ordered through the Statistics New Zealand web site at:
[www.stats.govt.nz/domino/external/web/prod_serv.nsf/htmldocs/A+Guide+to+Good+Survey+Design+\(2nd+edition\)](http://www.stats.govt.nz/domino/external/web/prod_serv.nsf/htmldocs/A+Guide+to+Good+Survey+Design+(2nd+edition))

¹⁷ Section 14(1)(e), LGA.

- 5.6 The Council's Communications Policy should, if the Council wishes to involve a partner, address:
- the types of communications for which joint ventures or sponsorship are appropriate; and
 - the controls and procedures designed to manage the associated risks – such as perception of Council “capture” by a business or community group, actual or potential conflict of interest, and community attitude to the nature of the problem.
- 5.7 As a minimum, the Communications Policy should:
- require all mandatory communications to be funded solely by Council;
 - require every communication joint venture or sponsorship proposal to be supported by a sound business case that is approved at an appropriate level within the Council organisation;
 - set out the criteria for selecting a communication joint venture partner or sponsor, in order to avoid conflict of interest and prevent a partner or sponsor from gaining (or being perceived to gain) inappropriate commercial or political advantage;
 - require both the Council and the joint venture partner or sponsor to adhere to the principles (including those in respect of editorial control) that it has adopted in the Communications Policy; and
 - contain clear guidance as to the placement of logos, slogans, and other sponsorship references.

Appendix 1

Principles of the Local Electoral Act 2001

4 Principles

- (1) The principles that this Act is designed to implement are the following:
 - (a) fair and effective representation for individuals and communities:
 - (b) all qualified persons have a reasonable and equal opportunity to—
 - (i) cast an informed vote:
 - (ii) nominate 1 or more candidates:
 - (iii) accept nomination as a candidate:
 - (c) public confidence in, and public understanding of, local electoral processes through—
 - (i) the provision of a regular election cycle:
 - (ii) the provision of elections that are managed independently from the elected body:
 - (iii) protection of the freedom of choice of voters and the secrecy of the vote:
 - (iv) the provision of transparent electoral systems and voting methods and the adoption of procedures that produce certainty in electoral outcomes:
 - (v) the provision of impartial mechanisms for resolving disputed elections and polls.
- (2) Local authorities, electoral officers, and other electoral officials must, in making decisions under this Act or any other enactment, take into account those principles specified in subsection (1) that are applicable (if any), so far as is practicable in the circumstances.
- (3) This section does not override any other provision in this Act or any other enactment.

Appendix 2

Statistics New Zealand Principles Applicable to the Production of Official Statistics

- 1 The need for a survey must be justified and outweigh the costs and respondent load for collecting the data.
- 2 A clear set of survey objectives and associated quality standards should be developed, along with a plan for conducting the many stages of a survey to a timetable, budget and quality standards.
- 3 Legislative obligations governing the collection of data, confidentiality, privacy and its release must be followed.
- 4 Sound statistical methodology should underpin the design of a survey.
- 5 Standard frameworks, questions and classifications should be used to allow integration of the data with data from other sources and to minimise development costs.
- 6 Forms should be designed so that they are easy for respondents to complete accurately and are efficient to process.
- 7 The reporting load on respondents should be kept to the minimum practicable.
- 8 In analysing and reporting the results of a collection, objectivity and professionalism must be maintained and the data impartially presented in ways which are easy to understand.
- 9 The main results of a collection should be easily accessible and equal opportunity of access is enjoyed by all users.
- 10 Be open about methods used; documentation of methods and quality measures should be easily available to users to allow them to determine if the data is fit for their use.

A full copy of *Protocols for Official Statistics* can be obtained by contacting Statistics New Zealand through its web site www.stats.govt.nz.

Office of the Auditor-General

Local government: Results of the 2008/09 audits

Part 12: Local authority elections - issues to watch out for

12.1

Local authority elections are a time of robust debate and political contest. That is as it should be. But the heightened political environment of an election creates a number of challenges for the administration of local authorities. The Auditor-General usually receives a range of requests for advice and inquiries on election-related issues. We do not have a role in regulating the general conduct of candidates during an election – that is a matter for the political sphere. However, we do have a role in commenting on the use of local authority resources, whether financial or staff.

12.2

Because local authority elections will be held in October 2010, we considered it timely to include in this report some advice on election-related issues that have arisen in the past. In this Part, we discuss our general approach to three issues that regularly arise:

- communication in the pre-election period;
- election candidates and the Local Authorities (Members' Interests) Act 1968 (the Act); and
- decision-making by councils after the election.

Communication in the pre-election period

General principles

12.3

The general practice in the local government sector is to treat the three months before the election as the pre-election period, during which additional protocols may be needed. There are some simple principles that need to be balanced in any pre-election period:

- Council staff need to maintain their neutrality.
- The public funds that councils administer should not be used for electioneering or to benefit one candidate over another.

- Councillors are still in office during the election campaign and remain responsible for the activities of the organisation.
- Ordinary business has to continue despite the election, which includes ongoing communication with the (voting) public.

12.4

Balancing these principles in practice can be difficult. New and detailed issues can arise where the right response is not obvious, and councils may need to judge the risks involved carefully. Also, the political context means that the level of scrutiny and potential for challenge is often very high. From an administrative perspective, the election period is a time for caution.

Learning from previous issues

12.5

We reported on the issues that arose in the last local authority elections in our 2006/07 report on local government issues.⁷⁷ In particular, we were pleased to note that we received no complaints about the content of the annual reports and summaries released around the time of the elections. These reports can generate complaints if they are perceived as too heavily promoting existing office holders. We encourage all local authorities to continue to take particular care with the content of these documents.

12.6

We noted four issues that resulted in complaints to the Auditor-General, where local authorities could usefully consider their level of risk before the next election. They are:

- collaborative community relationships;
- public events and launches;
- councillor and mayoral columns and other communication channels; and
- communication from council staff.

Collaborative community relationships

12.7

One local authority had a collaborative arrangement between the council and a community centre that included assistance to publish a regular community newspaper. The newspaper's electoral coverage in one edition excluded some candidates, and the council was criticised for its role in the publication. This issue highlights the risk when local authorities support community communication processes where they do not control the content. We

encourage authorities to consider their range of collaborative activities to ensure that they understand and manage this risk as much as possible.

Public events and launches

12.8

The use of council resources for public events, such as opening ceremonies or project launches, can be a regular cause of complaints. In the pre-election period, such events can be perceived as a publicly funded platform for the incumbent mayor or councillors to promote their achievements. We inquired into one such complaint during the last election and concluded that the approach that had been taken was reasonable. Nonetheless, we encourage councils to consider the risks around large events in the pre-election period. We are aware that many councillors try to reduce the number of major events that they attend during the election campaign.

Councillor and mayoral columns and other communication channels

12.9

It is common for mayors and councillors to prepare regular columns or commentary on their activities for council newspapers, websites, or other council-funded communication channels. Councils may also provide a measure of support for public communication by the mayor and other nominated spokespeople.

12.10

During an election period, these communication channels can create risk, as the political significance of the commentary will be higher. A column can change from being a useful vehicle for communicating ordinary council business to something that is seen as a vehicle for political campaigning by the current office holder.

12.11

Many councils have policies that suspend such columns during a defined pre-election period. This is a very simple way of removing the risk. However, to ensure that ordinary council business continues, it may be necessary for council staff to take responsibility for ongoing communication during this period. Other councils find other ways of managing the risks, including having the content of such columns checked by a senior staff member.

12.12

We encourage councils to address this issue directly and decide how they will manage the need to maintain ordinary business and continue to carry out their responsibilities, while ensuring that council resources are not used, or perceived to be used, to give electoral advantage.

Communication from council staff

12.13

Communication from council staff is another risk area. During the last election, we saw one example of such communication that we thought was inappropriate. The communication in this case was perceived by many to be a staff member contributing directly to the political debate and supporting one side. We encourage chief executives to make sure that staff are well briefed on the risks and any special or temporary procedures that may be introduced during the period of the election campaign. Although staff may, at other times, have a fairly free hand in providing information directly to the public or the media, additional constraints may need to be put in place during this period.

12.14

Another difficulty can be in managing contact between staff and those who are working on election campaigns. Candidates and their staff may seek a range of information from the council about current activities, policies, and costs. Responding to these requests can be a fraught activity because it is important that election candidates are treated equally and that the information they receive is manifestly neutral and factual. Writing protocols to ensure equal treatment of requests from current office holders and other candidates can be an important protection. We are aware that some authorities are already considering how they will manage this type of risk for the forthcoming elections.

Our overall advice

12.15

Most local authorities are familiar with our 2004 publication, [*Good Practice for Managing Public Communications by Local Authorities*](#). The overall advice in that report stands. We encourage each local authority to adopt its own clear policy and set of working rules that it agrees to abide by as a way of managing the issues of communicating during election periods. The policy and working rules should have regard to the principles identified in our good practice guide. A clearly agreed approach of this kind helps councillors and staff, and enables the council to respond easily to any concerns raised by ratepayers.

12.16

As explained in this Part, we also encourage councils to think separately about three different areas of potential risk that may require some management:

- councillors communicating with the community;
- staff communicating with the community; and
- staff communicating with candidates.

Election candidates and the Local Authorities (Members' Interests) Act 1968

12.17

The Act contains some complex rules for election candidates. For example, the contracting rule can sometimes mean that a person would need to rearrange their financial and business affairs to be able to stand as a candidate. The basic rule in section 3 of the Act is that you cannot be elected to a local authority if you have current contracts with the authority under which you will be paid more than \$25,000 in that financial year. The same rule applies to people who are appointed to local authorities, and to people elected or appointed to committees of local authorities.

12.18

The Act contains a series of exceptions, which are designed to remove the prohibition if there is unlikely to be any real opportunity to influence the value of the contract once you are elected. A current contract will not disqualify a candidate if:

- the obligations under the contract have been completed (that is, the goods or services have been provided) and the price is already fixed;
- the obligations under the contract have not been completed, but the price that will be paid is already fixed, subject to any amendments or additions allowed for in the contract;
- the obligations under the contract have not been completed, and the amount to be paid is not fixed, but the contract is for less than 12 months; or
- the obligations under the contract have not been completed, the amount to be paid is not fixed, and the contract is for more than 12 months, but the candidate agrees with the authority to relinquish the contract within a month of being elected.

12.19

The Auditor-General has no power to give retrospective approvals for contracts that are in place at the time of the election and would disqualify the candidate at that point. If the value of a current contract only exceeds the \$25,000 some time after the election, it is possible for us to give an approval, including a retrospective approval, in the usual way.

12.20

We encourage council staff and all potential candidates to consider the rules of the Act carefully. If potential candidates have ongoing contracts with the

authority that may cross the financial threshold, they should seek advice on whether these rules will prevent them from standing for office. They can also refer to our good practice guide on the law of conflicts of interest⁷⁸ for further guidance.

Decision-making by councils after the election

12.21

After the last local authority elections, we received several complaints about newly elected councils deciding to immediately change or reverse decisions of the previous council. We reported on the approach we took to these complaints in a previous report to the sector.⁷⁹ We regarded them as raising important issues about the relationship between the decision-making requirements of the Local Government Act 2002 and the democratic and political context of local authority decision-making.

12.22

We commented that:

Councillors and mayors will have opinions, will have campaigned on those opinions, and will wish to implement decisions consistent with their opinions and campaign messages. They will take office with publicly stated views on a wide variety of policy issues, and may have a sense of obligation to honour what they may see as commitments made to voters. In practice, the ability of any individual to implement their policies and commitments will depend on their ability to influence the collective decision-making of the local authority, and on the status of any existing decisions or commitments by the local authority.

12.23

In each case, we concluded that the relevant council was able to make the decision under the Local Government Act. However, there were steps that the councils could have taken to make the decision-making process more transparent. This would have enabled the community to more easily see and understand the basis on which the council was making the decision.

12.24

Similar issues may arise after the next election. We encourage councils and staff to consider what steps they can take to promote transparent decision-making, accountability, and community understanding, while helping newly elected authorities to make appropriate decisions. It may also be helpful to address the requirements of the Local Government Act in any papers being prepared, so it is clear how they are being met.

77: [Local government: Results of the 2006/07 audits](#), June 2008, [Part 11](#).

78: [Guidance for members of local authorities about the law on conflicts of interest](#), June 2007.

79: [Local government: Results of the 2007/08 audits](#), June 2009, [Part 5](#).

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Filed under:

- [Advertising](#)

Mayoral Diary February 2019

Trim No.: 2116633

Executive Summary

The Mayoral diary for February 2019 is attached to the Agenda.

Recommendation

That:

1. The information be received.

Attachments

- A. Mayoral Diary February 2019

Signatories

Author(s)	Jan Barnes Mayor	
Approved by	Don McLeod Chief Executive Officer	


Mayoral Diary Month year

<p>Monday 4 February</p>	<p>Opening of Agri-tech Hub Ngati Haua Iwi Trust have partnered with Wintec to deliver courses for 16-40 year olds beginning with Landscape Construction.</p> <p>The Agri-tech Hub is located at the former Mangateparu School. I was delighted to be invited to officially open the hub.</p> <p>Council has a strong partnership with Ngati Haua, we work in close proximity and for the best outcomes for our communities. Opportunities like what they are providing for our youth in education and to upskill in this learning centre are very valuable. Ngati Haua has the full support from Matamata-Piako.</p>
<p>Wednesday 6 February</p>	<p>Waitangi Day It was my pleasure to welcome everyone to the Morrinsville Recreation Grounds and Swim Zone Morrinsville to celebrate our Waitangi whaanau fun day for 2019. We were lead in with the Ratana Band accompanied by King Tuheitias personal band.</p> <p>It was great to see that people had travelled from out of town to support the event and the local community and thank you to our Volunteer Youth Ambassadors who were there to assist the running of our event.</p> <p>This year marked the 179th commemoration of the signing of the Treaty of Waitangi, New Zealand's founding document.</p> <p>A free hangi was provided and we were very grateful to the whanau for preparing this feast for us all to enjoy. I hope you had a chance to come and enjoy our day, had some fun with the activities provided by Sport Waikato and made the most of the free entry into the Swim Zone pool complex.</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;">   </div> 



Photo supplied by Stephen Cope

Thursday 7 February	CEO performance review Councils CEO performance review committee met for the six month informal review of our CEO Don McLeod.
Friday 8 February	National Council Board meeting A full day of council papers were discussed including items such as 3 Waters.
Saturday 9 February	Paeroa Highland Games Rex and I were invited as guests to attend the 26 th Highland Games and Tattoo held at the Paeroa Domain by Mayor John Tregidga and HRT board member Basil Morrison. We thoroughly enjoyed the day, it was a wow! I am sure this was one of the best. The crowd was obviously having a great time! Congratulations to the organising committee on a successful event.
Monday 11 February	Regional Transport Committee tour Our bus departed the Waikato Regional Council offices in Hamilton and travelled to SH 1/29 to Tauranga viewing key SH 1/29 road projects en route with NZTA and police representatives on board. We arrived at the Port of Tauranga offices and were joined by Bay of Plenty RTC committee members. A presentation was made by Port of Tauranga board members Dan Kneebone and then we had a tour of the Port. Our return trip via SH2 Tauranga to Paeroa via Te Aroha and Morrinsville viewing SH 2 roading issues along the way.
Tuesday 12 February	Friends of the rail trail meeting I met with residents of Te Aroha who have an interest in forming Friends of the Rail Trail. Basil Morrison of the HRT and Mary Massey of the Te Aroha Railway Trust also joined me in the discussion. Thank you Dianne and John for your hospitality. This group will meet again in early March, hosted by the Railway Trust. Meeting with Exec team I had my catch up with CEO Don McLeod and his executive team to be updated on current projects, issues and events. Te Aroha Museum Janice Parsell hosted Council Property Officer Vikki Black and myself to discuss the Cadman building maintenance issues.

	<p>Morrinsville Branch of the Māori Women's Welfare League I was the guest speaker at the leagues meeting held at the Nottingham Castle restaurant. Young and older members were most engaging. I was invited to speak about my role as mayor, and I also discussed the working partnerships we have with iwi in our district, and strong bonds being formed.</p> <p>Thank you to my most gracious host Te Ao Marama Maaka, I value these engagements with you a great deal.</p>
<p>Wednesday 13 February</p>	<p>Council meeting This meeting saw items on the proposed Matamata Stadium and headon stadium with a submission from Sport Waikato, Audit and Risk Committee Charter update, Enviroschools Programme – six month report and the Mayoral Diary tabled.</p> <p>At the conclusion of the meeting workshops were held on topics of Road Safety Policy, Smoke free policy, Freedom Camping Bylaw, Provincial Growth Fund with Jamie MacDuff in attendance, Passenger Transport with Morrinsville College principal John Inger presenting, and Waikato Regional presenting</p> <p>Meeting with Jamie MacDuff CEO Don McLeod and I Met with Jamie MacDuff, the consultant from Resolve Group, along with Council staff to discuss establishment of the Provincial Growth Fund projects. Good progress is being made in preparing project plans, timelines, and identifying project risks. Information is being prepared for MBIE acceptance as part of the funding contracts with government. We discussed with Jamie the formation of the governance groups and the implementation of the two projects. Jaime was asked to update council.</p>
<p>Friday 15 February</p>	<p>Volunteer Youth Ambassadors (VYA) The first meeting of the year got underway at 7.30am in the Te Aroha College library. Our new Chair for 2019 is Ruby Stevens from Morrinsville College. Congratulations Ruby on your appointment as chair and to a well-run first meeting! Members introduced themselves, completed paperwork, a work programme for the year ahead was established. Watch out for Gumboot Day!</p> <p>Morrinsville Total Rehab Scooter Club I awarded an extra prize to the scooter club as a special Mayoral award to recognise their efforts in the Morrinsville Christmas Parade. The morning tea with them was very positive and a list has been emailed on suggesting upgrades to our curbs etc.</p> <p>Meeting with Hon Jacqui Dean CEO Don McLeod and I were invited by Tim Van der Molen to meet with National spokesperson for Local Government the Hon Jacqui Dean. We talked of local issues, 3 Waters and highlighted positives in our district.</p> 

	<p>Meeting with Korean visitors</p> <p>Two schools in our district are currently hosting international students from Inje County in Korea. I met the accompanying teachers and representatives from Inje to welcome them to our district.</p>
<p>Monday 18 February</p>	<p>3 Waters National Party policy development</p> <p>CEO Don McLeod and I were invited to be part of a discussion group on 3 Waters with the National Party to help them understand local government's position with regards to 3 Waters.</p> <p>Feedback from various MPs attending reported that the day was not only worthwhile, but the discussions that took place and the ideas that were presented to them have added to their understanding of the issues surrounding the 3 waters.</p>
<p>Tuesday 19 February</p>	<p>Meeting with Bruce McInnes</p> <p>Bruce is the new plant manager of Open Country Dairy, we met to discuss Waharoa odour issues and plans at Open Country Dairy going forward.</p> <p>Morrinsville Business After 5 (BA5)</p> <p>Hosted by Morrinsville Senior Citizens Association at the refurbished Rotary Community Centre meeting rooms. There was an excellent turn out from the business community and we were all impressed with the maintenance and upgrade taking place.</p>
<p>Wednesday 20 February</p>	<p>Meeting with Hon Nanaia Mahuta</p> <p>The National Council board was asked to meet with the Minister for Local Government to discuss the 3 Waters issue and our Board letter to the Prime Minister and Ministers sent before Christmas.</p>
<p>Thursday 21 February</p>	<p>Education reforms meeting</p> <p>Tim Van der Molen hosted Nicki Kaye at the Matamata-Memorial and Civic Centre for a discussion on the future of our education system and an opportunity to share views on proposals from the Tomorrow's School's Review Taskforce.</p> <p>I was very pleased to see representatives from across the district, principals, board chairs and teachers.</p>
<p>Friday 22 February</p>	<p>Matamata Racing Club 100 year celebration</p> <p>I was proud to be with the racing club committee to support them in this milestone. We value our equine community and the economic contribution they bring to our district.</p> <p>The race course is like their own village at 4 in the morning, they are up working out long before we all surface for the day!</p> <p>I wished the club all the best for the weekend's 50th running of the Breeders Stakes race. How far it has come from the inaugural stake money of \$2,200 in 1969 to \$100,000 in 2019!</p> <p>I am confident our racing club will be around for another 100 years to come.</p>



**Saturday
23 February**

Jazz Day - Oak Lane Lodge Morrinsville

Every February, Oak Lane Lodge hosts a Charity Event which raises money for the local Community. It is a family day where guests bring a picnic and listen to great music. Rex and I enjoyed the wonderful music by some very talented musicians, especially our Morrinsville College students who opened the day with their ensembles.

One of the highlights of the Jazz Day is the Charity Auction where they auction off fantastic items donated by our very own local business. I was lucky on two of my silent auction bids!

Congratulations to the organising committee for yet another successful event, all the time and effort you put in behind the scenes has certainly paid off!

Matamata Breeder Stakes Races

The Matamata Racing Club Breeder Stakes meeting attracted a large crowd for the 50th Breeders Stakes race day and one hundred years of the Matamata Racing Club.

It had everything from fashion in the field, entertainment for the children and of course lots of opportunity to mix and mingle with friends and put on a bet or two. The day was well supported – car park was full!

Congratulations Matamata Racing club and committee on your 100 year anniversary.

**Monday
25 February**

Meeting with NZTA

CEO Don McLeod and I met with Kaye Clarke, Senior staff who has been assigned to MPDC to work through safety concerns particularly in Morrinsville and Matamata.

NZTA will be meeting with the Chamber of Commerce to work on accident hot spots in Morrinsville.

These areas include Avenue Road State Highway 26 in Morrinsville, the Hopkins Road/SH29 intersection near Chookys Auto and the implementation of an upgraded pedestrian crossing on Firth Street, near the Broadway/SH27 roundabout in Matamata.

Waikato Mayoral Forum

The meeting had a very full agenda covering a number of topics, they included:

- Crown Infrastructure Partners - Rural Broadband 12/MBSF and Ultra-fast

	<p>Broadband programmes update Nick Manning, GM Government and Regulatory Affairs</p> <ul style="list-style-type: none"> • Three Waters Review and Essential Freshwater Programme - update by Mayor Brian Hanna, Waitomo District Council Don McLeod, Chief Executive, Matamata Piako District Council Vaughan Payne, Chief Executive, Waikato Regional Council • Regional Water Services Collaboration – update by Don McLeod, Chief Executive, Matamata Piako District Council Dawn Inglis, Manager – RATA, Waikato Road Asset Technical Accord • Waikato Wellbeing report; Karen Bennett, Manager – Chief Executive’s Office, Waikato Regional Council • Waikato-Hamilton Alcohol and Other Drug Treatment Court report Mayor Andrew King, Hamilton City Council Jason Howarth, Issues Assistant to the Mayor • Waikato LASS - update Gavin Ion, Chief Executive, Waikato District Council • Te Waka – update Dallas Fisher, Chair, Waikato REDA Board Michael Bassett-Foss, CEO, Te Waka • Appointment of Iwi Representatives on the Te Waka Board Rukumoana Schaafhausen, Co-Chair, Waikato Plan Leadership Committee • Waikato Plan – overview of progress Tracey May, Director, Science and Strategy, Waikato Regional Council • Hamilton to Auckland corridor – update Blair Bowcott, Director – Special Projects, Hamilton City Council • Proposed Waikato Regional Plan Change 1 – Waikato and Waipa River Catchments - update Tracey May, Director Science and Strategy, Waikato Regional Council • Triennial Agreement – process for review Vaughan Payne, Chief Executive, Waikato Regional Council • Upper North Island Supply Chain Panel – update Vaughan Payne, Chief Executive, Waikato Regional Council • Collaboration with new government - discussion Round table discussion to update on collective meetings <p>Meeting regarding policing in Te Aroha I met with a member of the Community Patrol to discuss his experiences of crime in Te Aroha and what they are seeing as ‘hot spots’. Steve Tee is implementing neighbourhood watch in his area of Stanley Avenue.</p> <p>Citizenship Ceremony We welcomed 10 new citizens to our district at a ceremony held in the Council boardroom in Te Aroha. With participants permission we live stream these events on Councils Facebook page, tune in next time to see what goes on!</p>
Tuesday 26 February	<p>Meeting re Wardville Hall Finance Manager Danny Anglesey and Property Officer Vikki Black and I met with Wardville Hall representative Selwyn Tappin to talk renewal of lighting at the tennis courts at the Hall.</p>
Wednesday 27 February	<p>Corporate and Operations Meeting This meeting comprised the agenda topics of Draft Annual Plan 2019/20, Six Month report, Health and Safety report, CEO report, and two long service presentations to Council Staff.</p> <p>This year Bryan Turner has completed 30 years with MPDC and Sheree O’Brien 25 years. Well done to you both, it is an honour to speak at your presentation.</p>



Workshops were held at the conclusion of the meeting on Rubbish Bag Fees, Hauraki Gulf Forum funding, and Housing, Road Naming policy

Waikato Chamber of Commerce – Conversation with Hon Simon Bridges

The Waikato chamber arranged a meeting with leader of the opposition Hon Simon Bridges and extended the invitation to Morrinsville Chamber members. I was pleased to briefly attend and support the chamber

The event was a good mix of networking and open conversation with Simon and the members in attendance.

Walton Hall – Aerodrome meeting

A meeting was held so Walton residents could discuss the reserve management plan process with regard to the Waharoa Aerodrome. Council staff members Mark Naude and Rebekah Duffin were in attendance to answer questions.

We have requested their feedback and a robust question and answer dialogue was had concerning night flying.

Walton residents will hopefully have a better understanding now of the process involved and will make some thoughtful submissions having had the opportunity to discuss their views.

Foster Construction opening

I was pleased to be at the opening of the new Foster Construction building on Arthur Porter Drive. Impressive in house operations for different departments was great to see. Fosters are rebuilding in our district.

**Thursday
28 February**

LGNZ Localism forum

LGNZ is promoting localism in order to improve the way in which government in New Zealand works, and increase its responsiveness to the needs and aspirations of our communities.

Localism, as we use the term, involves giving greater voice and choice to communities about the nature of local public services and how they are delivered.

During the seminar we heard from presenters and a panel delivered thought provoking discussion. In a nutshell – Empower the Local Voice.