Komiti o te Kaporeihana me ngā Whakahaere | Corporate and Operations Committee

Kaupapataka Wātea | Open Agenda

Notice is hereby given that an ordinary meeting of the Corporate and Operations Committee will be held on:

Ko te rā | Date: **Wednesday 24 March 2021**
Wā | Time: **9.00am**
Wāhi | Venue: **Council Chambers**
35 Kenrick Street
TE AROHA

Ngā Mema | Membership

Koromatua | Mayor
Ash Tanner

Koromatua Tautoko | Deputy Mayor
Neil Goodger

Kaunihera ā-Rohe | District Councillors
Donna Arnold
Caitlin Casey
Teena Cornes
Bruce Dewhurst
James Sainsbury
Russell Smith
Kevin Tappin (Chair)
James Thomas
Adrienne Wilcock
Sue Whiting

Waea | Phone: 07-884-0060
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Kāinga Ipuranga | Website: www.mpdc.govt.nz

Item 8.3 Attachment A

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1 Whakatūwheratanga o te hui | Meeting Opening

2 Ngā whakapāha/Tono whakawātea | Apologies/Leave of Absence

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

3 Pānui i Ngā Take Ohorere Anō | Notification of 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."

4 Whākī pānga | Declarations of Interest

5 Whakaaetanga Mēneti | Confirmation of Minutes

Minutes, as circulated, of the ordinary meeting of the Corporate and Operations Committee, held on 24 February 2021

6 Papa ā-iwi whānui | Public Forum

Ezra Campbell in attendance to discuss pathway development in Swap Park.

Waikato Local Authority Shared Services - Statement of Intent 2021/22

CM No.: 2411584

Rāpopotonga Matua | Executive Summary

Waikato Local Authorities Shared Services Limited (WLASS) is a Council Controlled Organisation (CCO) jointly owned by the 12 Waikato Region councils. WLASS' key purpose is to drive collaboration between councils, to improve customer service and performance, and to reduce costs.

CCOs are required by the Local Government Act 2002 (LGA 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 Council the WLASS' Six Monthly Report to 31 December 2020, and to seek Council feedback on the proposed 2021/22 Statement of Intent (SOI).

Tūtohunga | Recommendation

That:

1. **The report be received**
2. **The Committee receives the Waikato Local Authority Shared Services Six Monthly Report to 31 December 2020, and**
3. **The Committee considers providing feedback on the Waikato Local Authority Shared Services Limited 2021/22 Statement of Intent.**

Horopaki | Background

The local authorities of Waikato Region have worked closely together over a number of years on mutually beneficial joint projects. WLASS was established in 2005 as a vehicle through which the councils could collaborate and identify opportunities for undertaking activity on a shared basis. More recently, shareholders embarked on a transformation of the company. The purpose of that transformation was to move the company to a true service delivery agent for, and strategic partner of, the councils. The structural changes of that transformation were completed in late 2019 and bedded-in throughout 2020.

The 2020 Statement of Intent introduced a new performance reporting framework. That framework is set out below.

Our vision	**Waikato councils are working together in the best way possible, for the collective benefit of them and their communities - which means less burden on ratepayers, happier communities and council staff and more effective councils.**					
Outcomes we are seeking	Council costs are reduced / performance is improved, without increase cost		The experiences of councils' communities are improved		Central government investment into and engagement with Waikato is increased	
Our specific objectives	➢ Achieve effectiveness and efficiency gains ➢ Reduce duplication of effort and eliminate waste through repetition		➢ Promote and contribute to the development of best practice ➢ Make it easier for communities to engage with councils in the Waikato region on a consistent basis ➢ Promote business transformation to improve communities' experiences		➢ Enable the Waikato councils to collectively be more effective as a region on the national stage ➢ Contribute to building central government's confidence in the Waikato region, and to encourage central government investment	
Priorities: How we will achieve our outcomes	Investigate the right opportunities	Develop opportunities on time and within budget	Ensure opportunity benefits are realised	Provide services that meet the needs of councils	Foster cross-council collaboration	
What we must manage well	Our relationships	Our services	Our projects	Our people	Our resources	Our reputation

The framework better reflects the outcomes the transformed company is seeking, and how they will go about achieving those outcomes. It highlights the company's roles of:
• Ideas laboratory - taking ideas that have the potential to create value, from their genesis through to business case; and
• Service provider to councils.

WLASS is acutely aware of the challenging and changing environment within which councils currently operate. Given this environment it is also acutely aware of the role it needs to play in reducing costs to its shareholding councils (or improving performance without an increase in cost). While improving the experience of councils' communities will always be front of mind as they develop ideas, they will not do this if it results in an unacceptable layer of additional, unrecoverable cost to councils. Similarly, they want to facilitate more engagement between central government and Waikato councils, and build central government's confidence in councils in the region. However, they see this as a by-product of achieving the other two outcomes, through which we aspire to show Waikato councils to be the exemplar of how local government in a region can work.

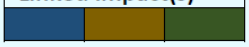
Six Monthly Report
Highlights and performance measures are detailed in the attachment. A summary of the financial position is below

	2021 actual $000	2021 forecast $000	Variance $000 (Actual v Budget)	2021 budget $000 (Full Year)
Total income	2,315	3,919	(1,604)	6,205
Total operating expenditure	1,618	2,492	(874)	6,372
Net surplus before tax	**698**	**1,427**	**(729)**	**(183)**
Cash on hand	1,301	n/a	n/a	647

Revenue and expenditure are both less than anticipated, with two projects occurring slightly later than anticipated. Flying related to the LiDAR project was deferred at the end of last summer because of COVID-19 and this has had a flow-on effect. Similarly, flying related to the new regional aerial photography contracts is commencing at the start of 2021 rather than late 2020. Overall timing of both these projects remains in line with expectations. While the net surplus is currently less than forecast, this is expected to reverse over the remainder of the year with the latest forecast indicating a full-year profit of $189k.

Statement of Intent 2021/22

The Statement of Intent (SOI) sets out priorities and outlines the proposed work plan for 2021/22.

Priority	Performance measure	Target
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives Linked impact(s) 	➢ Business cases will include measurable benefits linked to one or more of the outcomes sought ➢ Businesses cases are supported by councils (evidenced by take up of the opportunity)	Projected savings/increased revenue to councils of at least $300k 75% of councils

Priority	Performance measure	Target
Develop opportunities and deliver projects within agreed budgets and timelines[1] **Linked impact(s)**	➢ Opportunities / projects are developed / delivered within agreed timelines ➢ Opportunities / projects are developed / delivered, within approved budget ➢ Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval	80%[2] 90%[2]
Ensure projects realise their expected benefits **Linked impact(s)**	➢ Measurable benefits are actively monitored and reported against ➢ Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	Six-monthly For $200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months 90% of projected quantifiable benefits are realised
Ensure existing services are meeting the needs of councils **Linked impact(s)**	➢ The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): o RATA – roading & waters o Waikato Building Cluster o Regional Infrastructure Technical Specifications o Energy & Carbon Management o Professional Services Panel o Health & Safety pre-qualification	80% of councils
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice **Linked impact(s)**	➢ Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum

1 Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery.
2 Time and cost targets for the development of opportunities and delivery of projects have been initially set based on what, in practical terms, are consider stretch goals, but achievable. However, we aspire to *always* better, or at least meet, timetables and budgets.

The targets noted above are for the three-year forecast period. They will form the baseline from which we will seek to continually improve.

Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes

WLASS Directors shall approve by 1 March of each year a draft SOI for distribution to, and consideration by, Matamata-Piako District Council as a shareholder.

Council must provide any comments or feedback on the draft SOI within two months of 1 March. The WLASS Directors must consider all comments that are received, and shall deliver the completed SOI to the shareholders by 30 June.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes and consistency with Council Vision

Theme: Economic Opportunities
Community Outcome: We provide leadership and advocacy is provided to enable our communities to grow

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

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

Ngā Tāpiritanga | Attachments

A⇩. WLASS 2021 draft for shareholder comment

B⇩. WLASS Half yearly report to 31 December 2020 - FINAL

Ngā waitohu | Signatories

Author(s)	Sandra Harris **Corporate Strategy Team Leader**	

Approved by	Don McLeod **Chief Executive Officer**	

2021 Statement of intent

For the year ended 30 June 2022

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This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Ltd (WLASS). It outlines the nature and scope of the work it will undertake, the Directors' accountabilities to the shareholders for corporate performance and financial forecasts, as required by Schedule 8 of the Local Government Act 2002. This information is provided in relation to the financial years ended 30 June 2022 to 30 June 2024.

Message from the Chair

WLASS has made substantial progress in 2020. We aim to continue that in 2021.

We have been delivering what we said we would. The priority projects set out in last year's Statement of Intent have either been completed or significantly advanced. Some of those projects, notably the Building Consent Shared Services project, have challenged councils to think quite differently about how they deliver services (more on that shortly).

> "At its heart WLASS exists to identify, and develop business cases, for ideas that have the potential to transform its shareholder councils."

Our priority projects have recently led to two new services. WLASS Water Services supports councils by providing water sampling and analysis, trade waste management and water conservation education services. Nine councils are participating in one or more of these services. Through the Coordinated Infrastructure Procurement service, we are working with councils to facilitate a better outcome for them, their communities and suppliers, by identifying opportunities to procure and sequence infrastructure work on a cross-council basis.

At its heart WLASS exists to identify, and develop business cases, for ideas that have the potential to transform its shareholder councils. The goal is to improve the experience of councils' communities and staff, improve performance, reduce costs, and build trust and confidence with central government.

In pursuing the goal in 2020 we did strike challenges.

A good example of these challenges was provided in December 2020, when the board was presented with an indicative business case for a building consent shared services approach with a request for funding to develop a detailed business case for a particular option. While our priority projects all can add significant value, this was the first project that was truly transformational – reimagining how building consent services are delivered and recommending this be delivered on a regional basis.

With this work we struck difficulty in developing the indicative business case, and the work took longer, because of opposition from some staff within councils. In addition, the commitment of chief executives to supporting the development of the detailed business case varied.

From this work WLASS has learned that transformation means different things to different council chief executives. That the pace at which those chief executives wish to move, differs. That some chief executives are excited by the prospect of substantial change within the sector and want the region to lead the thinking on that change, while others are worried by it and feel overburdened already. And that resistance to change is hard wired into the middle management of many of the shareholder councils - like just about every organisation.

WLASS has learned other valuable lessons from this work: the need for better communication, greater focus on helping council chief executives manage the potential for change within their organisation and building more compelling business cases.

My key messages are these:

1. For WLASS to truly achieve its potential, council chief executives must actively support it to develop the best possible business case for each idea, as fast as practicable. And they must impress that support on their staff. The faster we can develop good business cases, the faster those councils who want to can implement the idea.

2. The central government's water and RMA reform agendas provide more, not less, reason to proactively show that, as a region, we are already embracing changes to create a more efficient and effective local government. In doing so, the councils of the region put themselves in a better position to control their destiny rather than have central government make it for them.

For these reasons, WLASS will continue to advance a transformational agenda. We will not shy away from challenging councils to think differently – to think regionally, but knowing that they are able to decide and then act locally, in a way that is best for their communities. Equally, we will continue to progress initiatives as hard and as fast as practicable.

I continue to believe that WLASS provides an excellent vehicle for councils to work together and share the costs of developing ideas to meet the goal, while retaining each council's right to proceed or not.

Peter Stubbs
Chair

Background

WLASS is owned in equal portion by the 12 Waikato local authorities:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Otorohanga District
- Rotorua Lakes
- South Waikato District
- Taupō District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipa District
- Waitomo District

It was established in 2005 as a vehicle through which these councils could collaborate and identify opportunities for undertaking activity on a shared basis. More recently, shareholders embarked on a transformation of the company. The purpose of that transformation was to move the company to a true service delivery agent for, and strategic partner of, the councils. The structural changes of that transformation were completed in late 2019 and bedded-in throughout 2020.

Our vision and the outcomes we are looking for

The 2020 SOI introduced a new performance reporting framework. That framework is set out on the following page.

The framework better reflects the outcomes the transformed company is seeking, for you and your communities, and how we will go about achieving those outcomes. It highlights the company's roles of:

- Ideas laboratory - taking ideas that have the potential to create value, from their genesis through to business case; and
- Service provider to councils.

WLASS is acutely aware of the challenging and changing environment within which councils currently operate. Given this environment it is also acutely aware of the role it needs to play in reducing costs to its shareholding councils (or improving performance without an increase in cost). While improving the

experience of councils' communities will always be front of mind as we develop ideas, we will not do this if it results in an unacceptable layer of additional, unrecoverable cost to councils. Similarly, we want to facilitate more engagement between central government and Waikato councils, and build central government's confidence in councils in the region. However, we see this as a by-product of achieving the other two outcomes, through which we aspire to show Waikato councils to be the exemplar of how local government in a region can work.

Our vision	**Waikato councils working together to shape happier communities and staff, and forge effective councils.**					
Outcomes we are seeking	Council costs are reduced / performance is improved, without increased cost		The experiences of councils' communities are improved		Central government investment into and engagement with Waikato councils is increased	
Our specific objectives	➢ Achieve effectiveness and efficiency gains ➢ Reduce duplication of effort and eliminate waste through repetition		➢ Promote and contribute to the development of best practice ➢ Make it easier for communities to engage with councils in the Waikato region on a consistent basis ➢ Promote business transformation to improve communities' experiences		➢ Enable the Waikato councils to collectively be more effective as a region on the national stage ➢ Contribute to building central government's confidence in the Waikato region, and to encourage central government investment	
Priorities: How we will achieve our outcomes	Investigate the right opportunities	Develop opportunities on time and within budget	Ensure opportunity benefits are realised	Provide services that meet the needs of councils	Foster cross-council collaboration	
What we must manage well	Our relationships	Our services	Our projects	Our people	Our resources	Our reputation

Priorities – doing what we said we would do

We want to ensure that Waikato councils are working together the best way possible, for the collective benefit of them and their communities. We want to do this because we believe it is the right thing to do for Waikato. If we achieve this, it will mean a relatively lesser burden on ratepayers, happier communities and council staff and more impactful councils.

In the 2020 Statement of Intent, we told you we had completed the structural changes required to transform the company into a service delivery agent and a true strategic partner to councils.

While we do not see the transformation as 'complete', the 2020/21 financial year has seen those changes embedded and our focus turn to ensuring we do what we said we would: And we have. All five of our priority projects set out in last year's Statement of Intent have either been completed or are under development. This has included:

- Commencing work looking at how building consent services could be improved, culminating in a recommendation that a detailed business case be developed at an estimated cost of ~$440k;

- Expanding the service offering to include water sampling and analysis, trade waste management and water conservation services. This increases the size of the company, by revenue, by ~40%;
- Completing the project to consider how infrastructure procurement could be coordinated regionally - we have a strategic procurement manager in place, working with council staff to identify and deliver on opportunities; and
- Starting work on developing a regional approach to staff learning and development.

Beyond the priority projects, we have been managing the LiDAR project, which is now underway following a delayed start when the COVID-19 lockdown prevented flying toward the end of last summer. We have also commenced the Waikato OneView project. That project is the next phase of a roadmap toward a regional approach to Geographic Information Systems (GIS) and is looking at establishing Waikato-wide geospatial data sets and a simple way for customers to view that data.

Spotlight on WLASS Water Services

In the second half of 2020 we agreed to integrate the services of the Shared Services Partnership (made up of Hamilton City and Waipa and Waikato District Councils) into the company's offerings. In doing so Sampling and Analysis, Trade Waste Management and "Smart Water" services will be taken up by eight councils across the region.

This initiative will provide high quality services, consistently, across the region, improve trade waste management practices and improve community wellbeing. It is a great example of how we can work together to benefit our communities in a cost-effective way.

Over the remainder of the financial year, we will be continuing to progress a number of these projects including the building consent shared services opportunity and Waikato OneView. We will be delivering on the coordinated infrastructure procurement and progressing the LiDAR project, with the intention of completing flying over the summer months to capture the data.

At the same time, we have had an eye to the future. With all our priority projects identified last year now either complete or underway, as noted above, the Board has considered and agreed on the next suite of projects, having had particular regard to the environment currently faced by the local government sector. Early development of some of these is already underway. The projects were conveyed to council chief executives in a letter of intent in the second half of 2020. The support received for the ideas confirms we are on the right track. The Board also agreed to add value for councils by undertaking the development of opportunities in a way that fulfils shareholding councils' obligations under section 17A of the Local Government Act 2002 (LGA) for the area being considered. Doing so will do away with each council's need to separately undertake these reviews.

Our priority projects for the coming year are:

1) Shifting landscapes: Refining how and where WLASS can add most value

Waikato councils are faced with significant change: Expected reform on waters is now clearer and changes to the RMA have been signalled. Councils are grappling with what these changes will mean for their organisations in the future, and what will remain of them when the changes are complete.

WLASS will continue to support Waikato councils to be the best they can be for their communities. It will also continue to think regionally and support councils to act locally. However, we need to be clear how councils think we best do that given the shifting landscape. How can we add the most value? What

should we focus on that is achievable and actionable? How can we support councils to influence change, to get ahead of the game and create their own destiny?

For the board to answer these questions, it needs to understand from Waikato councils what services councils believe they should ensure are delivered to their communities, and what services they believe:

i. only the councils should deliver (noting that all councils are not the same);
ii. could be delivered by service delivery agents (i.e. CCOs like WLASS);
iii. could be delivered by third parties; and
iv. central government should deliver.

This project will provide that understanding. In doing so, it will help clarify the future of local government, provide a touchstone for making better decisions on how councils can most effectively deliver their functions, and provide WLASS with clarity on its part in supporting councils to do so.

Spotlight on LiDAR

We are managing a project to create highly detailed 3D maps and models of the Waikato landscape using LiDAR (Light Detection and Ranging) technology. Ground survey commenced in December 2020 and aerial surveying in January 2021. The full data set will be publicly available by October 2022. LiDAR is a foundational data asset essential to decisions involving the physical world. It has the potential to help drive regional economic growth and spur new investment by enabling councils and businesses to efficiently plan and develop housing, road, and water infrastructure, and better prepare for hazards such as flooding, landslides and erosion.

The project involves funding from eleven councils plus several commercial companies and the Provincial Growth Fund (via LINZ).

2) Digital enablement – creating an omnichannel for your communities

There are rising community expectations of:

- Self-service;
- Digital engagement;
- Instant service;
- Personalised service; and
- Falling costs.

With this, there is a risk of a growing gap between community expectations and council service delivery because each council, acting individually, has limited ability (both expertise and available capital) to:

1) 'go digital' and provide 21st century, customer focused, digitally-enabled services; or
2) use technology to transform the way they work, manage assets and deliver services.

[sourced (paraphrased) from McGredy Winder & Co Sept. 2017 report to WLASS]

Technology is interwoven to various degrees within each council's business and operational frameworks. Any changes to technology cannot therefore be considered in isolation. However, to address the expectation gap, councils can work together to:

- Provide consistent customer and community experiences across the region;
- Realise significant cost savings and mitigate risks;
- Leverage existing skills, knowledge and experience for better digital outcomes for all;
- Achieve systems and process efficiencies through standardisation, which could lay the groundwork for potential back office shared services;
- Make better use of vendors and influence the market;

- Leverage total IT spend and cross-council resources; and
- Get recognition from central government for generating sustainable value from technology investment.

This will help address perceived problems that:

- Customers are not always able to receive a resolution at their first point of contact with council;
- Staff are not always able to find the information they need to solve customer queries;
- Cross-council knowledge is not shared effectively; and
- Staff knowledge is not retained or captured.

3) Establishing a GIS centre of excellence

For most councils, there is limited ability/need for a full-time resource that has expertise in GIS. However, having access to that resource, as and when required, would be useful to meet internal needs and community enquiries in a timelier manner. There could therefore be value in the creation of a GIS centre of excellence (COE) that provides core data and GIS system management, as well as analytical work, to support the operation of councils.

This is currently planned as the last phase of the GIS roadmap and may be considered contemporaneously with the current Waikato OneView project.

4) Establishing an Asset Management centre of excellence

Waikato councils collectively are responsible for significant assets. They are accountable to the public for ensuring these assets are well managed. Some councils have difficulty in attracting and retaining appropriately skilled staff. Others may simply benefit from a lift toward best practice. Regardless, there is an opportunity to consider establishing a COE, likely reflecting an expansion of RATA's existing capability, to support councils in this area.

Beyond these priority projects we will continue to look at other initiatives that add value. The RATA Advisory Group have been prioritising a suite of ideas and will develop one or more of these over the next 12 months. The various WLASS working parties, comprising representatives from each of the councils, will also continue to look at ways in which their disciplines can be improved.

As you asked, we've changed

The company has changed significantly over the last 24 months. Up until the second half of 2018 it had no employees, and relied solely on a contracted, part-time resource. Today, through the transformation, it has grown to nine employees and a broader team of 35[1]. That increase in resourcing reflects the small team engaged to identify initiatives and develop opportunities that are then presented to councils, and the establishment of new services (water sampling and analysis, trade waste management, water education, IQP/producer statement registrations and infrastructure procurement), as a result.

Our governance structure has also been streamlined to be more agile and independent, moving from a board of twelve, to six members including an independent chair.

Fundamentally we have matured. We have:

- Robust processes in place to develop opportunities through to business case;

[1] Including RATA and WLASS Waters Services staff who are employed by Waipa District and Hamilton City Councils respectively, but are wholly contracted to WLASS to provide services to other councils

- Introduced secondment arrangements for council staff to contribute to the development of opportunities, at the same time increasing their capability;
- Established a change management framework to support opportunity development;
- Started moving to a 'user pays' approach to service offerings; and
- Shifted the dial to projects that, while posing a greater challenge, are transformational and have the potential to add significant value.

Active council support remains critical

While WLASS has grown, it remains a small company. Council resources to support the company continues to be critical.

The WLASS working parties, comprising representatives from the councils, are an invaluable part of how we work and essential to the company being able to develop opportunities. They have a role in identifying problems to be solved. They have a role in supporting the development of opportunities, by:

- Providing resource;
- Acting as a sounding board; and
- Actively championing *the development* of ideas, including helping WLASS tell the story about why we are developing those ideas.

The working parties (and council chief executives and other senior leaders) also have a role in helping prepare their councils for change that might come from opportunities if the council chooses to adopt the solution. Any change management must be leader-led from within the councils themselves.

So, while we have changed, councils must also. WLASS will only be as successful as its shareholding councils allow it to be. You have asked us to go as hard and fast as possible. You have asked us to challenge you to transform how councils could operate. We are doing these things and will not shy away from continuing to promote a transformational agenda, but it will only work if councils, from the top down, embrace the opportunity to change, actively supporting the development of the best business cases possible. We said in last year's Statement of Intent that councils need to commit to accepting the challenge of changing the way things are done where there is a sound case for doing so. That remains the case. A change in mindset must precede transformation.

Performance measures

Last year's Statement of Intent introduced a new suite of performance measures. We will continue to track how well we are delivering on our strategic priorities using these.

Priority	Performance measure	Target
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives **Linked impact(s)**	➢ Business cases will include measurable benefits linked to one or more of the outcomes sought ➢ Businesses cases are supported by councils (evidenced by take up of the opportunity)	Projected savings/increased revenue to councils of at least $300k 75% of councils

Priority	Performance measure	Target
Develop opportunities and deliver projects within agreed budgets and timelines[1] Linked impact(s)	➢ Opportunities / projects are developed / delivered within agreed timelines ➢ Opportunities / projects are developed / delivered, within approved budget ➢ Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval	80%[2] 90%[2]
Ensure projects realise their expected benefits Linked impact(s)	➢ Measurable benefits are actively monitored and reported against ➢ Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)	Six-monthly For $200k+ Projects (based on cost of opportunity development and ongoing investment) Within 15 months 90% of projected quantifiable benefits are realised
Ensure existing services are meeting the needs of councils Linked impact(s)	➢ The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): ○ RATA – roading & waters ○ Waikato Building Cluster ○ Regional Infrastructure Technical Specifications ○ Energy & Carbon Management ○ Professional Services Panel ○ Health & Safety pre-qualification	80% of councils
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice Linked impact(s)	➢ Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum

1 Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery.

2 Time and cost targets for the development of opportunities and delivery of projects have been initially set based on what, in practical terms, are consider stretch goals, but achievable. However, we aspire to *always* better, or at least meet, timetables and budgets.

The targets noted above are for the three-year forecast period. They will form the baseline from which we will seek to continually improve.

Transparency and reporting to councils

The company will continue to deliver the following information to shareholders:

- Within two months of the end of the first half of the financial year, a half-yearly report, including Statements of Financial Performance, Financial Position, and Cashflows and commentary on service performance including an assessment of progress against performance measures; and
- Within three months of the end of the financial year, an audited Statement of Financial Performance, Statement of Changes in Equity, Statement of Financial Position, Statement of Cashflows and commentary on service performance.

We will continue looking at ways of keeping you informed of how we are progressing. We are part of the Waikato Local Government team and know that we are not currently seen as such by some council staff. We need to work with councils to change that and will therefore be communicating more broadly, and frequently, with council staff.

Governance arrangements

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

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

The current Directors of WLASS are:

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
David Bryant	Hamilton City Council
Gareth Green	Otorohanga, Rotorua, Taupo, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
Rob Williams	Hauraki, Matamata-Piako and Thames-Coromandel District

Under the constitution Gavin Ion must resign his position on 30 June 2021, but may be reappointed by the councils he represents for a further 3-year term.

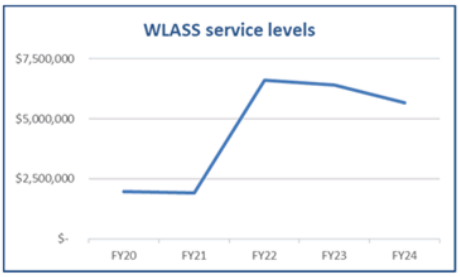
The independent Chair of WLASS receives director fees and reimbursed expenses. Directors representing the councils will not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

Financials

Overview

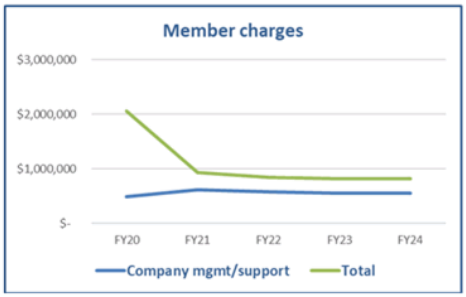
Service levels

Revenue from service levels significantly increases in the 2022 financial year, being the first full year of activity for Coordinated Infrastructure Procurement and WLASS Water Services. RATA data collection projects commencing in that year also contribute to the increase. As the RATA data collection is completed, overall services fees taper off (although the other services are forecast to continue growing).

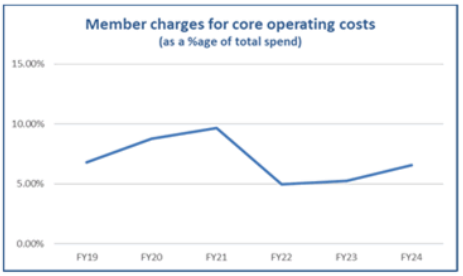


Member charges

While service levels are forecast to increase, we are conscious of mitigating the increase in member charges. This reflects the shift toward a user pays basis. Total member charges significantly reduced in the 2021 financial year with Future Proof and Waikato Plan being transitioned to Waikato Regional Council in that year. Charges are expected to remain flat throughout the forecast period.



Member charges to meet core operating costs (company management / support) remain largely flat throughout the forecast period (averaging ~5.6% of total expenditure).



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Statement of Financial Performance

Waikato Local Authority Shared Services
Company Summary
for the forecast financial years ended 30 June 2022-2024

Waikato Local Authority SHARED SERVICES

	2020 SOI	2021 SOI		
	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24
Income				
Company Management / Support	1,102,910	1,321,190	1,305,020	1,314,765
Working parties | projects	1,145,858	716,183	527,879	535,012
RITS	31,616	27,000	27,378	27,761
Information Technology	1,007,000	725,835	77,201	47,862
Energy Management	70,000	128,000	133,000	134,862
Shared Valuation Data Service (SVDS)	379,761	388,115	396,654	402,207
Road Asset Technical Accord (RATA)	1,300,557	2,233,000	1,894,000	1,362,000
Waikato Regional Transport Model (WRTM)	389,456	1,594,706	1,893,812	454,344
Waikato Building Consent Group	333,250	654,530	588,438	596,957
Waikato Mayoral Forum	5,000	5,000	5,000	5,000
Water Collaboration	440,000	752,500	812,500	577,640
WLASS Water Services	-	3,038,380	3,082,616	3,121,253
Total Income	6,205,408	**11,584,439**	**10,743,498**	**8,579,662**
Operating Expenditure				
Company Management / Support	1,087,487	1,490,824	1,511,894	1,538,327
Working parties | projects	1,165,858	979,195	529,738	536,430
RITS	31,616	27,000	27,378	27,761
Information Technology	1,108,531	741,424	61,955	43,962
Energy Management	124,900	127,900	132,264	134,115
Shared Valuation Data Service (SVDS)	384,993	351,195	359,899	364,938
Road Asset Technical Accord (RATA)	1,300,557	2,233,000	1,894,000	1,362,000
Waikato Regional Transport Model (WRTM)	389,456	1,594,706	1,893,812	454,344
Waikato Building Consent Group	333,250	563,426	587,334	595,957
Waikato Mayoral Forum	5,000	5,000	5,000	5,000
Water Collaboration	440,000	752,500	812,500	577,640
WLASS Water Services	-	2,878,970	2,827,970	2,903,691
Total operating expenditure	6,371,648	**11,745,140**	**10,643,744**	**8,544,166**
Earnings before interest, tax and depreciation/ amortisation (EBITDA)	**(166,240)**	**(160,701)**	**99,754**	**35,497**
Depreciation / amortisation				
Company Management / Support	1,864	5,471	5,471	-
WBCG	0	1,104	1,104	1,000
WRTM	14,583	14,583	14,583	-
Total Depreciation / amortisation	16,447	**21,158**	**21,158**	**1,000**
Earnings before interest and tax (EBIT)	**(182,688)**	**(181,859)**	**78,596**	**34,497**
Net Surplus (Deficit) before tax	(182,688)	(181,859)	78,596	34,497

As for the current financial year, we are budgeting a loss of ~$181k in the coming year as we continue to use cash reserves to fund some project activity. In the outyears we maintain a small profit level.

Statement of Financial Position

Waikato Local Authority Shared Services
Financial Position
for the forecast financial years ended 30 June 2022-2024

Waikato Local Authority SHARED SERVICES

	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24
CAPITAL				
Shares - SVDS	1,607,001	1,607,001	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	1,350,000	1,350,000
Retained Earnings	(2,021,997)	(2,418,218)	(2,600,077)	(2,521,481)
Plus Current Year Operating Surplus/(Deficit)	(182,688)	(181,859)	78,596	34,497
TOTAL CAPITAL FUNDS	**752,316**	**356,924**	**435,520**	**470,017**
ASSETS				
CURRENT ASSETS				
Prepayments	253,342	178,900	181,405	183,944
Accounts Receivable	248,216	314,131	579,222	537,175
Bank	647,330	723,837	568,629	247,924
GST Receivable / (Payable)	29,628	22,472	21,668	22,901
TOTAL CURRENT ASSETS	1,178,516	1,239,340	1,350,923	991,945
NON-CURRENT ASSETS				
SVDS - Intangible Asset	3,065,316	0	0	0
WRTM - Intangible Asset	2,296,855	2,296,855	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	1,195	1,195
Accumulated Depreciation	(5,334,200)	(2,283,467)	(2,298,050)	(2,298,050)
IT Equipment	5,592	19,000	19,000	19,000
Accumulated Depreciation - IT equipment	(4,521)	(11,096)	(17,670)	(18,670)
TOTAL NON-CURRENT ASSETS	30,237	22,487	1,330	330
TOTAL ASSETS	**1,208,754**	**1,261,828**	**1,352,253**	**992,274**
LESS CURRENT LIABILITIES				
Accounts Payable	367,565	822,004	830,136	426,767
Accounts Payable Accrual	35,000	35,000	35,000	40,000
Employee Benefits	53,872	47,900	51,596	55,490
TOTAL CURRENT LIABILITIES	456,437	904,904	916,732	522,257
NET ASSETS	**752,317**	**356,924**	**435,520**	**470,017**

Statement of Cashflows

Waikato Local Authority Shared Services
Statement of Cashflows
for the forecast financial years ended 30 June 2022-2024

Waikato Local Authority SHARED SERVICES

	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24
Cashflows from Operating Activities				
Interest Received	2,000	500	507	514
Receipts from Other Revenue	6,503,168	11,518,024	10,477,900	8,621,195
Payments to Suppliers	(6,484,401)	(11,222,232)	(10,634,420)	(8,941,180)
Taxes Paid	0	0	0	0
Goods & Services tax (net)	36,794	7,156	804	(1,233)
Net cash from operating activities	57,561	303,448	(155,208)	(320,704)
Cashflows from Investing Activities				
Capital enhancements	0	0	0	0
Purchase of PPE	0	(13,408)	0	0
Purchase of investments	0	0	0	0
Net cash from investing activities	0	(13,408)	0	0
Net increase in cash, cash equivalents and bank accounts	57,561	290,040	(155,208)	(320,704)
Opening cash and cash equivalents and bank overdrafts	589,770	433,797	723,837	568,629
Closing cash, cash equivalents and bank accounts	**647,330**	**723,837**	**568,629**	**247,924**
Summary of Bank Accounts				
BNZ - Call a/c	647,330	723,837	568,629	247,924
Closing Balance of Bank	**647,330**	**723,837**	**568,629**	**247,924**

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Appendix I: What we do - current activities

The principal initiatives operating under the WLASS umbrella are:

- Aligned resource consent planning
- Energy management
- Health & safety pre-qualification
- Joint procurement initiatives
- LiDAR
- Regional Asset Technical Accord (RATA)
- Regional Infrastructure Technical Specifications
- Shared Valuation Data Services (SVDS)
- Waikato Building Consent Group (WBCG) – including IQP/Producer Statement registrations
- Waikato Regional Aerial Photography Service (WRAPS)
- Waikato Regional Transportation Model (WRTM)
- WLASS Water Services (WWS)

Aligned resource consent planning

This toolkit provides regional consistency and best practice processes in the administration of resource consenting. It is used by nine councils (Taupo and Otorohanga are not currently participating, and Waikato Regional Council processes different types of resource consents from the territorial local authorities). WLASS controls the documentation on the WLASS website, and the Waikato Resource Consent forum manages the process for making updates and amendments to the templates and documents in the toolkit.

Energy management

WLASS entered into a three-year Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA) in February 2016. Across the programme EECA provided funding of $210,000. Implemented projects have delivered 3.62m kWh in energy reduction annually (as against a target of 2.5m kWh), saved $446,000 per annum.

From 1 July 2019 a new energy and carbon management programme was entered into between WLASS and the nine participating councils. Councils were slow to engage in the elective component of the new programme notwithstanding we know councils see climate change generally as a significant issue. A lack of engagement has meant that some councils have not gotten the value out of it that they otherwise might have. We will continue to drive this programme and encourage councils to support it. More recently, there has been some activity in undertaking carbon stocktakes which is encouraging.

Health & safety pre-qualification

WLASS contracts with RJ Safety Consulting (previously SHE Software), to manage the Local Government Health & Safety Contractor Pre-qualification Scheme on behalf of councils. Twenty councils and one CCO are now using the scheme with approximately 1,600 contractors registered, which enables them to be pre-qualified to work for any of the participating councils.

Further detail on these activities and the councils involved in each can be found on the WLASS website at http://www.waikatolass.co.nz/.

Joint procurement initiatives

WLASS is a party to numerous joint procurement contracts between the company, shareholding councils and suppliers. Councils choose whether to be a party to a particular contract. Wherever possible we negotiate a syndicated contract with the supplier to allow additional councils to join later.

The most significant suite of contracts comprises the Professional Services Panel, involving eight councils and upwards of 150 suppliers. The current panel arrangement was established in August 2019.

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In 2019 standard regional procurement policies, templates and procedures were developed for use by councils and procurement training provided to council staff.

LiDAR

WLASS is managing a project to create highly detailed 3D maps and models of the Waikato landscape using LiDAR (Light Detection and Ranging) technology. The project's start was delayed with Covid-19. However, flying commenced in January 2021. The project involves funding from ten councils plus several commercial companies and the Provincial Growth Fund (via LINZ).

Regional Asset Technical Accord (RATA)

RATA was initially established as a centre of excellence for road asset planning in 2014.

The original aim of RATA was to achieve best practice in road asset management by improving capability, capacity and outcomes through effective collaboration. This aim remains but in 2019 the business unit expanded its activity into waters assets. By leading asset management best practice, RATA enables better decision-making through the effective collection and use of good quality data, and the implementation of good practice processes and systems for data collection, analysis and management.

Waipa District Council employs RATA staff who are then contracted to provide services to WLASS.

Regional Infrastructure Technical Specifications (RITS)

The RITS document sets out how to design and construct transportation, water supply, wastewater, stormwater and landscaping infrastructure. Prior to developing RITS, each Council had its own technical specifications for infrastructure resulting in different standards having to be met across the Waikato region. RITS provides a single regional guide, making business easier.

The RITS is published on the WLASS website (http://www.waikatolass.co.nz/), and ongoing maintenance of the document is the responsibility of a Project Co-ordinator, managed by WLASS.

Shared Valuation Data Service (SVDS)

This service provides timely and accurate valuation data to the participating councils. The SVDS has become the accepted valuation database for the region. Data sales significantly reduce the net cost to the participating councils. In the first half of 2020, the transition to a software-as-a-service arrangement with a new provider was completed further reducing cost to councils.

Waikato Building Consent Group (WBCG)

The WBCG was initially set up by five Waikato local authorities in 2004 to foster co-operation, collaboration and consistency in building functions, legislative interpretation and process documentation across the partnering councils. The activity transferred to WLASS on 1 July 2016 and now comprises eight councils.

The WBCG has developed a common quality assurance system with associated supporting documentation that meet the legislative requirements of the Building Act 2004 and the Building (Accreditation of Building Consent Authorities) Regulations 2006. These regulations cover all aspects of the operational management and compliance of a Building Consent Authority (BCA).

On 1 July 2020, WLASS assumed responsibility for managing the region's IQP and Producer Statement registers for the benefit of councils.

Waikato Regional Aerial Photography Service (WRAPS)

WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. Photographs are captured periodically (~every 5 years). Most recently contracts were executed in December 2020 to undertake the latest programme.

Waikato Regional Transportation Model (WRTM)

The WRTM became fully operational in February 2010. It provides accurate information to councils and to external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region and is jointly funded by the NZTA.

WRTM is making a significant contribution to strategic planning surrounding land use and infrastructure within the region and has been involved in regionally and nationally significant investigations including the Waikato Expressway Network Plan, the Waikato Regional Land Transport Strategy and Regional Policy Statement and transport impact assessments in relation to the development of Ruakura.

WLASS Water Services (WWS)

In the second half of 2020 the company agreed to subsume the previous Shared Services Partnership activity (involving Hamilton City and Waipa and Waikato District Councils), into its suite of services available to other councils. Six councils accepted indicative proposals to take up one or more of the sampling and analysis, trade waste management and Smart Water services available. Onboarding the councils will occur in the first half of 2021.

Appendix II: Policy Statements

Statement of accounting policies

Reporting entity

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

The primary objectives of the Company are to:

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

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

Summary of significant accounting policies

Basis of preparation

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

Statement of Compliance

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

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

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

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

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

Measurement base

The financial statements are prepared on a historical cost basis.

Presentation currency and rounding

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Critical accounting estimates and assumptions

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

Intangible assets

Useful lives and residual values

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

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

Impairment of intangible assets

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

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

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

Revenue

Revenue

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

Other Revenue

Member charges for all activities are recognised when invoiced to the user (i.e. councils). The recorded revenue is the net amount of the member charges payable for the transaction.
Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. Until such time, contributions are recognised as liabilities.

Operating expenses

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

Personnel costs

Defined contribution schemes

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

Receivables

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

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

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

Cash and cash equivalents

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

Income tax

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

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

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

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

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

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

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

Intangible assets Other financial assets

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

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

Payables and deferred revenue

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

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

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

Employee benefits liabilities

Short-term employee entitlements

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

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

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

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

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

Presentation of employee entitlements

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

Reconciliation of equity

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

Contributed equity

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

Retained earnings

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

Waikato Local Authority
SHARED SERVICES

Half-yearly report to Shareholders

1 July 2020 to 31 December 2020

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1 Overview of WLASS

WLASS was established in December 2005. It is jointly owned (in equal portion) by the following councils:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Otorohanga District
- Rotorua Lakes
- South Waikato District
- Taupo District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipa District
- Waitomo District

The company has two fundamental roles:

1) It is a laboratory for developing opportunities that create value to councils, either by improving the experience of their communities or by making the councils themselves, collectively, more efficient and effective; and
2) It provides services to councils.

Using WLASS to explore opportunities for councils to be more effective will contribute to councils' section 17A obligation under the Local Government Act 2002 to periodically review the cost-effectiveness of the current arrangements for delivering services to their communities.

In the first half of 2020 the company revisited the way that it measures its success to reflect these roles. This is encapsulated in a performance framework.

WLASS Performance Framework

Our vision	**Waikato councils working together to shape happier communities and staff, and forge effective councils.**					
Outcomes we are seeking	Council costs are reduced / performance is improved, without increase cost		The experiences of councils' communities are improved		Central government investment into and engagement with Waikato councils is increased	
Our specific objectives	➢ Achieve effectiveness and efficiency gains ➢ Reduce duplication of effort and eliminate waste through repetition ➢ Helping the councils achieve an appropriate balance in risk and return		➢ Promote and contribute to the development of best practice ➢ Make it easier for communities to engage with councils in the Waikato region on a consistent basis ➢ Promote business transformation to improve communities' experiences		➢ Enable the Waikato councils to collectively be more effective as a region on the national stage ➢ Contribute to building central government's confidence in the Waikato region, and to encourage central government investment	
Priorities: How we will achieve our outcomes	Investigate the right opportunities	Develop opportunities on time and within budget	Ensure opportunity benefits are realised	Provide services that meet the needs of councils	Foster cross-council collaboration	
What we must manage well	Our relationships	Our services	Our projects	Our people	Our resources	Our reputation

WLASS is acutely aware of the role it needs to play in reducing costs to its shareholding councils (or improving performance without an increase in cost). While improving the experience of councils' communities will always be front of mind as we develop ideas, we will not do this if it results in an unacceptable layer of additional, unrecoverable cost to councils. Similarly, we want to facilitate more

engagement between central government and Waikato councils, and build central government's confidence in councils in the region. However, we see this as a by-product of achieving the other two outcomes, through which we aspire to show Waikato councils to be the exemplar of how local government in a region can work.

2 Statement of service performance

2.1 Our value

The company continues to deliver value to its shareholding councils through enabling:

- Improved levels and quality of service;
- A more co-ordinated approach to the provision of services;
- Reductions in the cost of services (meeting Council's LGA obligation);
- The development of new initiatives;
- Standardisation of service levels;
- Opportunities for all Councils, irrespective of location or size, to benefit from joint initiatives; and
- Economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

The nature and scope of the activities WLASS undertakes is detailed in section 6. We believe that our fees reflect the value we provide for our core service offerings (RATA, the Energy & Carbon Management programme, the Waikato Regional Transport model, Shared Valuation Data Services, Waikato Building Consent Group and from 2021, WLASS Water Services).

However, the services themselves lead to additional benefits. For example, across RATA and the Energy & Carbon Management programme identified initiatives have led to savings of ~$1.3m p.a., and the SVDS offering generates revenue from third parties which, for the first time, means that we are not requiring contributions from councils. More recently, last year's priority project "Coordinated Infrastructure Procurement" led to the appointment of a new role within the company to deliver the benefits laid out in the business case. That appointment late last year has had an immediate impact by working with Waikato Regional Council staff to secure savings of ~$163k (17%) on a project.

We also know that the joint procurement of various services leads to a direct cost saving. This saving comes in the form of:

- Time savings for council staff by undertaking the procurement process once, collectively, rather than individually;
- Direct cost savings from undertaking a single procurement and strengthened negotiation positions;
- Reduced risk, in the case of insurance, which has led to a saving in insurance premiums estimated at between $1.0m and $1.5m p.a.

We want to ensure that our service offerings meet your expectations. That is why we have a specific measure of performance for this. While we regularly seek feedback from councils, we will be formally gauging how well we are meeting your needs via a shareholder survey in the first half of 2021. We welcome the opportunity to engage more with our shareholding councils at all levels, in a way that best works for each of you.

Beyond the direct time and cost savings councils receive from the work WLASS does, we make it a priority to add value in less tangible ways. We have started seconding council staff onto some of our projects where they have the capacity to be involved. We see this as a great way of helping develop your staff by exposing them to a more regional perspective and getting involved in an area that is not part of what they do on a day-to-day basis. We think providing this opportunity is significantly more valuable

than engaging consultants to help us develop ideas, at greater cost, and with the learnings taken with them at the end of the project.

We also foster collaboration across the councils. In the main we do this via working groups, which meet at least quarterly. The overarching purpose of these groups is to help WLASS achieve the outcomes we are seeking, and these groups facilitate this by coming up with ideas for improvement in their functional areas, as well as acting as a sounding board for initiatives as they are developed. They also play a critical role in helping their councils, particularly potentially impacted staff, prepare for change that might come from ideas once they are developed.

While the working groups are an important element to the success of the company, we also know from discussions with council staff involved that they value the opportunity to get together and talk with their peers about common challenges and share learnings on how to address them.

2.2 Six-month highlights

Of course, we want to continue to build on the value we are already providing. To that end, we are doing what we said we would do in our 2020 SOI and set out in this section what we have done during in the last six months, beyond the value we provide through our current offerings.

WLASS Water Services

In September 2020, the Board approved the establishment of WLASS Water Services. This arrangement will see the previous partnership between Hamilton City, Waikato District and Waipa District Councils subsumed into WLASS. The water sampling and analysis, trade waste management and "Smart Waters" services undertaken by the unit will be offered to other councils within the region.

Nine councils have indicated a desire to participate in at least one of the services. Hamilton City Council and Waipa District Council will transfer directly from the existing partnership to become a customer of the new WLASS service. Most of the other councils will commence the service in the new financial year, from 1 July 2021, although some have indicated a preference for a start date in early 2021.

This new service offering is a significant addition to the company, increasing revenue by ~40%.

Building consent shared services

The most significant opportunity development during the period was the Building Consent Shared Services project. The issue and monitoring of building consents is a critical function of councils. It is important that this function is delivered with the customer in mind and in the most efficient way. Councils are also facing a shortage in capacity in this area and this challenge is expected to increase with an aging workforce (not unique to building consent functions), and continuing demands on high-growth sub-regions.

Development of the opportunity culminated in the delivery of an indicative business case to the Board in December. We will be engaging further with senior staff within councils in the first half of 2021 with a view to progressing this transformational initiative to detailed business case. We believe it can add real value to Waikato communities.

Coordinated L&D programme

Waikato councils have the same functional responsibility and therefore the same capability needs (noting the WRC have some different requirements). This project will consider how the learning and development programmes and supporting material can be aligned and a regional approach to training can be established. Ultimately, the project aims to result in improved training opportunities for council staff and cost efficiencies as a result of collaboration. We see it having the potentially to significantly lift the capabilities within councils in a cost-effective way.

A project team has been established with representation from councils along with support from the WLASS People and Capability Managers Working Party. The team have commenced analysis of the opportunity.

Waikato OneView

Phase 1 of the Waikato OneView project implementation was completed. Waikato OneView will see the alignment of key data from different councils through a common data schema and presentation of that data via a Web Map Viewer. It will improve the customer experience by reducing the time required to gather data and increasing the data's accessibility because it covers the whole region and is always available.

For the councils, a key investment objective is to increase the visibility and accessibility of data (in line with central Government's open data initiative), with the resulting benefit of improved ability to report across council boundaries. Other objectives include the aim of reducing council staff workloads (because users can self-serve) and the cost-benefit of collective buying power.

LiDAR

In February 2019, the Board approved the procurement of a regional Light Detection and Ranging (LiDAR) data set as part of a Land Information NZ nation-wide initiative. That initiative is supported by funding from the Provincial Growth Fund and other commercial partners, which has significantly reduced the investment required from councils. The project will create highly detailed 3D maps and models of the Waikato landscape. LiDAR is a foundational data asset essential to decisions involving the physical world. It has the potential to help drive regional economic growth and spur new investment by enabling councils and businesses to efficiently plan and develop housing, road, and water infrastructure, and better prepare for hazards such as flooding, landslides and erosion.

The supplier of the LiDAR services (iXblue Pty Ltd) is an Australian based company with a presence in NZ. Lockdown from COVID-19 meant flying did not start last season. Ongoing border restrictions created some challenges for the team as key staff (including pilots), were required to complete the mandatory 14-day isolation period. However, as of January 2021, there are two survey planes working in the region along with ground-based teams completing the ground survey operation. The survey operation is expected to continue until May 2021, while the fully processed LiDAR data is expected to be delivered to WLASS by October 2022.

The next suite of priority projects

Following consultation with council Chief Executives and other senior staff, the Board agreed the next suite of priority projects that the company will progress throughout 2021. Those projects will continue to push the transformational agenda our shareholders have asked for. They cover:

- The use of technology to 'enable' councils and to allow them to engage more effectively with their communities;
- The establishment of regional 'centres of excellence' in GIS and asset management;
- Policy and by-law development; and
- Considering how the company can add the most value to its shareholders given the significant changes in the local government landscape they are faced with.

More detail on these projects is included in the company's 2021 Statement of Intent.

2.3 Assessment of performance against targets

The following performance measures were included in the 2020 Statement of Intent covering the financial years ended 30 June 2021-2023. An update on performance against target, as at 31 December 2020, is shown in the table below.

Priority	Performance measure	Target	Outcome (progress toward target)
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives **Linked impact(s)**	➢ Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings to councils of $300k*	➢ The WLASS Water Services Business Case was built on non-monetary benefits ➢ Several other projects are under development and yet to be finalised with a determination of quantifiable benefits.
	➢ Opportunity assessments are supported by councils (evidenced by Board minutes)	75% of councils	➢ Progression of the BCSS project has been deferred pending further engagement with councils ➢ One or more of the service offerings contained in the WLASS Water Services business case were taken up, in principle (based on indicative proposals), by those councils able to participate
Develop opportunities and deliver projects within agreed budgets and timelines **Linked impact(s)**	➢ Opportunities / projects are developed / delivered within agreed timelines	80%	50%: Three of the six projects under development that had a milestone during the period, had some delays in their progress. The most significant delay was a three-month lag in relation to the Building Consent Shared Services project, for which the Board agreed to extend beyond the original timeframe to allow greater time to engage with councils.
	➢ Opportunities / projects are developed / delivered, within approved budget	90%	100%: The two completed projects both came within budget. Those projects that are in progress are on track to also come within budget.
Ensure projects realise their expected benefits **Linked impact(s)**	➢ Measurable benefits are actively monitored and reported against	Six-monthly	Will commence June 2021 at which point there will have been a full six-month window following implementation of the Coordinated Infrastructure Procurement and WLASS Water Services projects.
	➢ Audit & Risk Committee undertake an assessment of projects following implementation (which will include an	For $200k+ Projects (based on cost of opportunity development	The Audit & Risk Committee have asked management to provide a list of projects for review in the first half of 2021.

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Priority	Performance measure	Target	Outcome (progress toward target)
	assessment of whether projected benefits have been realised)	and ongoing investment) Within 15 months 90% of projected quantifiable benefits are realised	
Ensure existing services are meeting the needs of councils **Linked impact(s)**	➢ The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): ○ RATA – roading & waters ○ Waikato Building Cluster ○ Regional Infrastructure Technical Specifications ○ Energy & Carbon Management ○ Professional Services Panel ○ Health & Safety pre-qualification	80% of councils	Not currently measurable: While management regularly meet with council Chief Executives (and other senior staff) and receive informal feedback as part of those meetings, a survey will be undertaken in the second half of the financial year to ensure each service offering is meeting the needs of councils.
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice **Linked impact(s)**	➢ Across these groups, ideas for future consideration and/or initiatives are identified each year	Six per annum	Two initiatives have arisen during the year to date, from the Transformational Focus and Legal Services groups. WLASS engages regularly with the Shared Services Working Party (comprising council Corporate Services Managers / Chief Financial Officers), and other functionally based working groups. The working groups fill an important role of helping WLASS develop opportunities, through providing resource, acting as a sounding board for ideas and helping manage the potential for change within their councils.

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3 WLASS Financial Position

3.1 Summary

Summary financial results for the six months to 31 December 2020 are:

	2021 actual $000	2021 forecast $000	Variance $000 (Actual v Budget)	2021 budget $000 (Full Year)
Total income	2,315	3,919	(1,604)	6,205
Total operating expenditure	1,618	2,492	(874)	6,372
Net surplus before tax	**698**	**1,427**	**(729)**	**(183)**
Cash on hand	1,301	n/a	n/a	647

Revenue and expenditure are both less than anticipated, with two projects occurring slightly later than anticipated. Flying related to the LiDAR project was deferred at the end of last summer because of COVID-19 and this has had a flow-on effect. Similarly, flying related to the new regional aerial photography contracts is commencing at the start of 2021 rather than late 2020. Overall timing of both these projects remains in line with expectations. While the net surplus is currently less than forecast, this is expected to reverse over the remainder of the year with the latest forecast indicating a full-year profit of $189k.

The cash position is:

	Cash balance @ 1/07/2020 $000	Cash surplus / (deficit) $000	Cash balance @ 31/12/2020 $000
Company Administration	75	293	368
RITS	23	43	65
Working Parties | Projects	20	91	111
Information Technology	10	22	32
Energy Management	133	10	143
Shared Valuation Data Service (SVDS)	233	47	280
Road Asset Technical Accord (RATA) & Waters Collaboration	145	-118	27
Waikato Regional Transport Model (WRTM)	19	258	277
Waikato Building Conesnt Group (WBCG)	236	59	295
Mayoral Forum	-23	4	-19
WLASS Water Services	0	-12	-12
Accounts Receivables	-1,491	-117	-1,608
Accounts Payables	1,747	-406	1,341
Total	**1,127**	**174**	**1,301**

Note: Cash balances for each workstream vary from the actual cash position as a result of accounts receivable / payable which are not tracked on an activity by activity basis.

Invariably the cash balance has arisen because actual expenditure has been less than anticipated. It is expected to reduce over the coming six months. We will be reforecasting in March and will assess the likely year end cash position for each workstream. The Company Administration surplus is mainly due to the full year's membership charges being invoiced at the beginning of the financial year.

3.2 Statement of Financial Performance

Waikato Local Authority Shared Services
Statement of Financial Performance
For the six months ending 31 December 2020

	Financial year 2021 YTD Actuals	Financial year 2021 YTD Forecast	Financial year 2021 YTD Budget	Financial year 2020 YTD Actuals
Revenue				
SVDS Data & Software Sales	266,751	270,295	235,955	246,630
Interest	7	6	1,000	15
Other Revenue				
User Charges	2,048,689	3,648,701	2,708,304	2,444,962
Total Other Revenue	**2,048,689**	**3,648,701**	**2,708,304**	**2,444,962**
Total Revenue	**2,315,447**	**3,919,002**	**2,945,259**	**2,691,607**
Expenditure				
Depreciation and amortisation expense	10,868	11,602	8,225	34,065
Personnel costs	321,198	287,864	353,525	183,498
Other expenses	1,285,762	2,192,869	2,454,671	2,227,745
Total Expenditure	**1,617,828**	**2,492,335**	**2,816,421**	**2,445,308**
Net Profit	**697,619**	**1,426,667**	**128,838**	**246,299**

3.3 Statement of Cashflows

Waikato Local Authority Shared Services
As at 31 December 2020
For the six months ending 31 December 2020

	Finanical year 2021 YTD Actuals	Financial year 2020 YTD Actuals
Cashflows from Operating Activities		
Interest Received	7	2,369
Receipts from Other Revenue	2,059,188	5,289,918
Payments to Suppliers and Employees	(1,898,160)	(5,725,847)
Taxes Paid	0	998
Goods & Services tax (net)	35,150	113,849
Net cash from operating activities	196,184	694,474
Cashflows from Investing Activities		
Capital enhancements	0	0
Purchase of PPE	(13,611)	(13,103)
Purchase of investments	0	0
Net cash from investing activities	(13,611)	0
Net increase in cash, cash equivalents and bank accounts	172,730	(331,816)
Opening cash and cash equivalents and bank overdrafts	1,127,986	1,459,803
Closing cash, cash equivalents and bank accounts	**1,300,716**	**1,127,986**
Summary of Bank Accounts		
BNZ - Call a/c	28,921	0
BNZ - Transaction Account	1,271,795	1,127,986
Closing Balance of Bank	**1,300,716**	**1,127,986**

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3.4 Statement of Financial Position

Waikato Local Authority Shared Services
Statement of Financial Position
As at 31 December 2020

	Financial year 2021 Actual at 31/12/2020	Financial year 2020 Actual at 31/12/2019
Assets		
Current Assets		
Bank		
Call Account	28,921	28,902
Transaction Account	1,271,796	2,111,764
Total Bank	**1,300,717**	**2,140,667**
Accounts Receivable		
Accounts Receivable	897,371	185,680
Accounts Receivable Accruals	710,705	170,704
GST	0	31,934
IRD - RWT Tax		
RWT On Interest	0	998
RWT On Payments	0	(2,584)
Total IRD - RWT Tax	**0**	**(1,586)**
Total Accounts Receivable	**1,608,075**	**386,732**
Prepayments	0	6,900
Total Current Assets	**2,908,792**	**2,534,298**
Non-current Assets		
SVDS - Original Cost	3,065,316	3,065,316
WRTM - Original Cost	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195
IT equipment	24,350	5,592
Accumulated Depreciation	(5,334,214)	(5,301,152)
Office Furniture	7,956	0
Total Non-current Assets	**61,458**	**67,806**
Total Assets	**2,970,250**	**2,602,104**
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	147,341	172,376
Accounts Payable Accrual	5,000	305,521
Total Accounts Payable	**152,341**	**477,897**
Credit Card Balance	2,472	0
Revenue in Advance	1,093,486	587,159
ACC Prepayments	0	(77)
Employee Entitlements	1	8,635
GST	92,518	0
Total Current Liabilities	**1,340,819**	**1,073,615**
Total Liabilities	**1,340,819**	**1,073,615**
Net Assets	**1,629,432**	**1,528,490**
Equity		
Contributed Capital	2,957,001	2,957,001
Retained Earnings	(1,327,569)	(1,428,511)
Total Equity	**1,629,432**	**1,528,490**

3.5 Policies

The accounting policies on which the preceding financial statements have been prepared are consistent with those used in preparing the Financial Statements for the year ended 30 June 2020, included in the company's Annual report.

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4 Governance arrangements

During the period, the Directors of WLASS were:

Director	Representing
Peter Stubbs	Independent Chair
David Bryant	Hamilton City Council
Gareth Green	Otorohanga, Rotorua, Taupo, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
Chris McLay (appointed 25 September 2020)	Waikato Regional Council
Vaughan Payne (resigned 25 September 2020)	Waikato Regional Council
Rob Williams	Hauraki, Matamata-Piako and Thames-Coromandel District Councils

5 Financial forecasts

Latest financial forecasts are contained in the company's 2021 Statement of Intent issued for shareholder comment in February 2021.

6 Nature & scope of activities

The principal initiatives operating under the WLASS umbrella are:

- Aligned resource consent planning
- Energy management
- Health & safety pre-qualification
- Joint procurement initiatives
- LiDAR
- Regional Asset Technical Accord (RATA)
- Regional Infrastructure Technical Specifications
- Shared Valuation Data Services (SVDS)
- Waikato Building Consent Group (WBCG)
- Waikato Regional Aerial Photography Service (WRAPS)
- Waikato Regional Transportation Model (WRTM)
- WLASS Water Services (WWS)

Aligned resource consent planning

This toolkit provides regional consistency and best practice processes in the administration of resource consenting. It is used by nine councils (Taupo and Otorohanga are not currently participating, and Waikato Regional Council processes different types of resource consents from the territorial local authorities). WLASS controls the documentation on the WLASS website, and the Waikato Resource Consent forum manages the process for making updates and amendments to the templates and documents in the toolkit.

Energy management

WLASS entered into a three-year Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA) in February 2016. Across the programme EECA provided funding of $210,000. Implemented projects have delivered 3.62m kWh in energy reduction annually (as against a target of 2.5m kWh), saved $446,000 per annum.

From 1 July 2019 a new energy and carbon management programme was entered into between WLASS and the nine participating councils.

Health & safety pre-qualification

WLASS contracts with RJ Safety Consulting (previously SHE Software), to manage the Local Government Health & Safety Contractor Pre-qualification Scheme on behalf of councils. Twenty councils and one CCO are now using the scheme with approximately 1,600 contractors registered, which enables them to be pre-qualified to work for any of the participating councils.

Further detail on these activities and the councils involved in each can be found on the WLASS website at http://www.waikatolass.co.nz/.

Joint procurement initiatives

WLASS is a party to numerous joint procurement contracts between the company, shareholding councils and suppliers. Councils choose whether to be a party to a particular contract. Wherever possible we negotiate a syndicated contract with the supplier to allow additional councils to join later.

The most significant suite of contracts comprises the Professional Services Panel, involving eight councils and upwards of 150 suppliers. The current panel arrangement was established in August 2019.

In 2019 standard regional procurement policies, templates and procedures were developed for use by councils and procurement training provided to council staff.

LiDAR

WLASS is managing a project to create highly detailed 3D maps and models of the Waikato landscape using LiDAR (Light Detection and Ranging) technology. Ground survey commenced in December 2020 with aerial survey commencing in January 2021. The survey operations are expected to be complete by May 2021 and the full data set to be publicly available by October 2022. The project involves funding from ten councils plus several commercial companies and the Provincial Growth Fund (via LINZ).

Regional Asset Technical Accord (RATA)

RATA was initially established as a centre of excellence for road asset planning in 2014.

The original aim of RATA was to achieve best practice in road asset management by improving capability, capacity and outcomes through effective collaboration. This aim remains but in 2019 the business unit expanded its activity into waters asset management. By leading asset management best practice, RATA enables better decision-making through the effective collection and use of good quality data, and the implementation of good practice processes and systems for data collection, analysis and management.

Waipa District Council employs RATA staff who are then contracted to provide services to WLASS.

Regional Infrastructure Technical Specifications (RITS)

The RITS document sets out how to design and construct transportation, water supply, wastewater, stormwater and landscaping infrastructure. Prior to developing RITS, each Council had its own technical specifications for infrastructure resulting in different standards having to be met across the Waikato region. RITS provides a single regional guide, making business easier.

The RITS is published on the WLASS website (http://www.waikatolass.co.nz/), and ongoing maintenance of the document is the responsibility of a Project Co-ordinator, managed by WLASS.

Shared Valuation Data Service (SVDS)

This service provides timely and accurate valuation data to the participating councils. The SVDS has become the accepted valuation database for the region. Data sales significantly reduce the net cost to the participating councils. In the first half of 2020, the transition to a software-as-a-service arrangement with a new provider was completed further reducing cost to councils.

Waikato Building Consent Group (WBCG)

The WBCG was initially set up by five Waikato local authorities in 2004 to foster co-operation, collaboration and consistency in building functions, legislative interpretation and process documentation across the partnering councils. The activity transferred to WLASS on 1 July 2016 and now comprises eight councils.

The WBCG has developed a common quality assurance system with associated supporting documentation that meet the legislative requirements of the Building Act 2004 and the Building (Accreditation of Building Consent Authorities) Regulations 2006. These regulations cover all aspects of the operational management and compliance of a Building Consent Authority (BCA).

On 1 July 2020, WLASS assumed responsibility for managing the regions IQP and Producer Statement registers for the benefit of councils.

Waikato Regional Aerial Photography Service (WRAPS)

WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. Photographs are captured periodically (~every 5 years). Most recently contracts were executed in December 2020 to undertake the latest programme.

Waikato Regional Transportation Model (WRTM)

The WRTM became fully operational in February 2010. It provides accurate information to councils and to external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region and is jointly funded by the NZTA.

WRTM is making a significant contribution to strategic planning surrounding land use and infrastructure within the region and has been involved in regionally and nationally significant investigations including the Waikato Expressway Network Plan, the Waikato Regional Land Transport Strategy and Regional Policy Statement and transport impact assessments in relation to the development of Ruakura.

WLASS Water Services (WWS)

In the second half of 2020 the company agreed to subsume the previous Shared Services Partnership activity (involving Hamilton City and Waipa and Waikato District Councils), into its suite of services available to other councils. Eight councils accepted indicative proposals to take up one or more of the sampling and analysis, trade waste management and Smart Water services available. Onboarding the councils will occur in the first half of 2021.

2020/21 Youth Funding - Starfish Social Services - Youth Guarantee

CM No.: 2412006

Rāpopotonga Matua | Executive Summary

Each year Council has $10,000 set aside for youth funding, in previous years we have coordinated a Youth Ambassadors Group using this funding. For the 2020/21 year Council decided not to coordinate this group and therefore still has the $10,000 remaining in the youth funding budget.

On 9 December 2020 Starfish Social Services presented a new proposal for a youth guarantee scheme to Council. Council requested a project proposal and budget be sought and brought back to Council for formal consideration. This project proposal and budget has now been attached for Councils consideration.

Tūtohunga | Recommendation

That:

1. **The information be received.**

2. **Council agrees to contribute up to $____ from the 2020/21 youth funding towards the Youth Guarantee Proposal, towards the registration costs or other applicable fees on agreement. OR**

3. **Council does not contribute to the Youth Guarantee Proposal at this time.**

Horopaki | Background

Each year Council has $10,000 set aside for youth funding, in previous years we have coordinated a Youth Ambassadors Group using this funding. For the 2020/21 year Council decided not to coordinate this group and therefore still has the $10,000 remaining in the youth funding budget.

On 9 December 2020 Starfish Social Services presented a new proposal for a youth guarantee scheme to Council. Council requested a project proposal and budget be sought and brought back to Council for formal consideration. This project proposal and budget has now been attached for Councils consideration.

In December 2020 Council through the Office of the Mayor provided a letter of support for the programme.

Ngā Whiringa | Options

Council can decide whether or not it wished to provide any funding support to Starfish Social Services

Item 8.3

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Youth funding has been allowed for in the Long Term Plan within existing budgets and has so far not been expended during the 2020/21 financial year.

Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes

This has been detailed in the attachment.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes and consistency with Council Vision

Theme: Healthy Communities
Community Outcome: Our community is safe, healthy and connected

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

Youth funding has been allowed for in the Long Term Plan within existing budgets and has so far not been expended during the 2020/21 financial year.

Ngā Tāpiritanga | Attachments

Attachment A

A⇩. Youth Guarantee Project Proposal

Ngā waitohu | Signatories

Author(s)	Sandra Harris **Corporate Strategy Team Leader**	

Approved by	Don McLeod **Chief Executive Officer**	

Starfish Youth Guarantee Program

A community-based solution, supporting rangatahi to flourish

Ko te ahurei te tangata aroha o tatou mahi – Let the uniqueness of the people guide our work

Issue

Starfish practice has always been developed and modified in response to the community need. Over the past 6 years we continually hear that there is a lack of consistent tertiary programmes accessible to Rangatahi in Matamata-Piako. As the local contracted provider of Alternative Education and Youth Service (MSD beneficiary support for young parents and unsupported youth) across the district, we too experience this gap. Once young people age out of Alternative Education (16) they have very limited options for further education. This is also true for youth engaged in mainstream education - they too are required to travel outside of the district to engage in further education or rely on correspondence. The Youth Services contract requires that clients engage in education – of our current clientele only 20% are engaging in education. This again highlights the accessibility barrier. Waharoa is identified as the second most deprived pocket in NZ for education and is listed as having low overall deprivation. Waharoa is home to a large proportion of youth currently engaged in our programs. Due to these above factors Starfish has become passionate about exploring this gap in service for our local youth.

Consultation

Consultation with Rangatahi, whanau and stakeholders has taken place. We have had an overwhelming response- that there is need in Matamata-Piako for an accessible tertiary program for our rural youth and that Starfish would be the right organisation to develop and deliver this. Below is a selection of quotes from those whom were consulted with:

"It is an aspiration to run one ourselves. However, we do not have the ability to get it off the ground anytime soon. 100% support the idea and are on board". - Ngati Hinerangi representatives

"Yes, there is a definite need and Starfish would be the right venue and organisation. Providing transport, pastoral support and engaging with whanau is absolutely vital to success". – Morrinsville College staff

"Getting to Hamilton every day is too hard, we need a course in Matamata so we can actually make something of ourselves"-Young man, 16 years

"I am studying by correspondence, but I have no one to help me and it gets lonely. I would rather go to a course each day so I can meet people and get the help I need with learning" -Young woman, 16 years

Our Solution

Starfish feel the time is right to develop the solution. We will be developing an education program for youth 16-19 years of age. Through which students gain their NCEA level 1 & 2. We will go through the necessary steps to have the program accredited and apply for funding from the Tertiary Education Commission (TEC) to be funded as a recognised Youth Guarantee program. This will mean that the program is **FREE** and accessible for youth and will ensure consistency and longevity. Youth Guarantee programs are 'Initiatives to improve young people's transition from school to further study, training and employment'. With this in mind, we will be working alongside local employers to equip learners with real life work experience to ensure that they are ready for the ever-changing workforce. We will adapting our Alternative Education model which has proven successful for our 13–16-year olds from a rural, often under resourced district, to ensure that the students of the Youth

Guarantee program are able to access wrap around, holistic support. This will include transport to and from the program, healthy meals and social service support (counselling, mentoring, social work and youth development) as required. With a priority of whanau engagement to ensure the success of Rangatahi.

Steps required to ensure our program is successful and sustainable

1. Development of the NCEA level 1 & 2 program. Staff to use consultation feedback to ensure students are provided with opportunities to learn skills and knowledge deemed as necessary by local employers – this will be interwoven into applicable unit standards to ensure the best support our rural youth with their future career and educational goals.
2. Become a registered Private Training Establishment (PTE) - lengthy application which requires a quality management system be developed, details of staff qualifications and CV's, resources, location information and finances for the program
3. Gain consent to assess credits – through NZQA to assess the credits that we wish to use in our program
4. Have the program both approved and accredited through NZQA
5. Apply to TEC for Youth Guarantee funding to ensure that the program will be accessible and free to our local rural youth – this can only be done once the above steps have been carried out. This requires application and an investment plan to be completed.

The above is approximately a year long process to ensure the program meets the strict criteria of NZQA and that Starfish has the right procedures in place to ensure the service will provide quality education which is consistent and long standing for the rangatahi in our district.

Estimate Budget

Item	Cost
Registration of Private Training Establishments	Between $8,000 – $12,000 total depending on quality of application (includes site visit travel) = **$10,000**
One off initial payment of $750 for registration application	**$750**
Programme approval and accreditation	$190p/h x Approx. 1-2 days 190 x 16 = **$3040 +gst**
Consent to assess	$190p/h x approx. 1-2 (dependent on level of app) = 190 x 16 = **$3040 +gst**
Quality Assurance Assessment Materials approval	**$960 + gst**
Engagement huis with youth whanau and stakeholders x 4 @ $100 – refreshments, venue etc.	**$400**
Staff time to date $40 x46 hours	**$1840**
Staff resource: 8 hours per week for a year @ $40p/h	**$16,640**
Van 12-seater (for transportation of students)	**$10,000**
Cellphone for staff x1	**$200**
Laptops @$300 each x7, 1 for staff, 6 for student use	**$2100**
Approx. total for program to start in 2022	**$48,970**

Below is an overview of the unit standards that will make up our Level 1 program. We have placed emphasis on supporting the Rangatahi to obtain knowledge and skills that will be needed to enter into further study or employment including management of self and wellbeing. Our Level 2 program is in development at present.

NZQA Number	Title	Credits	Teaching ideas
Literacy and numeracy - collect evidence in a portfolio over the course of program. Tutor to mark off contributing pieces to help prompt / ensure student achieves what's required			
26622	Write to communicate ideas for a purpose and audience	4	To be proven on a number of occasions. At least 3 pieces Naturally occurring evidence. Over a period of at least 1 month. One piece of at least 200 words. Approx. 500 words in total. Spelling, punctuation etc. -Report of a trip s -letter to MP or Mayor etc. -Evidence could be taken from journal entries
26624	Read texts with understanding	3	-period of 1 month, naturally occurring evidence -At least 3 pieces 2 types (instructions, report etc.) -At step 4 of TEC type reading -use of NZQA digital tool? -could we link the reading program that TWR did with facilitator? This type of guidance??
26625	Actively participate in spoken interactions	3	-naturally occurring over a range -include a 1:1 and a small group setting -unscripted. 2 interactions can be familiar. One to be unfamiliar. Contributing ideas in brainstorming sessions, asking questions
26623	Use number to solve problems	4	Naturally occurring. At least 3 activities. Proof 3 x each +,- , x, /. once for % decimals, fractions and integers basic ones halfs, thirds, fifths 10^{th} etc.

26626	Interpret statistical information for a purpose	3	3 purposes 3 activities Measures of spread, Measure of Centre Trends unusual features
26627	Use measurement to solve problems	3	3 separate activities Including at least 4 measurements of: length, capacity, mass angle, temperature and time. At least 1 evidence of each: conversions in metric system, estimation of measurement, location defined in distance and direction 20
Employment / future focus - work place readiness program			
3483	Fill in a form	2	Job application forms - Work place readiness program -Look on computer (deb has written this one up) -forms must include at least 12 fields -must use their own info and be given a chance to edit and proof read before marked
10792	Write a formal personal correspondence	3	Covering letters/ thank you letters for a guest speaker, complaints etc. – workplace readiness program Given opportunity to edit and proof
504	Produce a cv	2	Use ppts from workplace readiness Evidence of 2 verified docs. Driver license, passport. Must have at least one each of: personal quality, skill, achievement and/or employment and/or work experience. 2 referees, logical flow and edited/ checked
1293	Be interviewed in an informal, one-to-one, face-to-face interview	2	Work place readiness program Relaxed, familiar for student, video evidence or verifiers checklist to accompany. Educate and ensure dress, eye contact and tone etc. is appropriate

30909	Describe how employee behaviours and/or attitudes contribute to positive workplace relationships and performance	2	Guest speaker from NW / the warehouse / Daltons etc. 5 examples of each: positive work relationships, contribute to the performance of workplace duties, employment relationship described from employees POV
4249	Describe obligations as an employee	2	Guest speaker -Personal preso – 5 requirements -behaviours that lead to disciplinary action – list at least 3 -health and safety obligations – at least 3 -list at least 3 workplace practices – e.g. (care of equipment, privacy, time management, punctuality etc.
1978	Describe basic employment rights and responsibilities, and sources of information and/or assistance	3	Can be in real workplace or a simulated setting Employment relations act, health and safety act, human rights act, -internal and external factors effecting workplace relationships -strategies to develop and maintain workplace relationships internal and external. -
543	Work in a new workplace	3	Work placements Going on YP passions. Connections with: Daltons SWAPS NW Police? Info centre Hairdressers -prep for new workplace (IRD number, bank account, appropriate clothing etc. -new workplace described relevant to position – facilities, procedures, personnel etc. -workplace requirements are met: personal preso, health and safety punctuality
7120	Knowledge of note taking	2	Taking notes of guest speakers over a series of weeks

			-identify reasons / purpose for note taking -4 note taking techniques are described -practice taking notes. Demonstrate at least 2 different note taking practices -identify which note taking practice works best for the individual and why
7121	Demonstrate skills to search and select information	2	Look up information on certain jobs etc. online. Worksheet to complete. -purpose of search information is identified > end use of info. -scope of search – 3 different sources -info selected is relevant to the scope -review of info gathered and relevance to the purpose
29363	Learn to drive a vehicle	2	Could this link in with NEETS and YS – then YP can get their credits for it18 Recognition of prior learning -evidence photo of license 25 + 34
Self-management and wellbeing			
12358	Demonstrate knowledge of purchasing household consumables	3	Task – given x$ to go to purchase for starfish/... lunch etc. -Needs (nutritional and hygiene) identified for a given period of time for the household -comparing options for price, brand etc. (compare 2 toiletries, 2 cleaning). two each of – a fresh food, a convenience food, a frozen food, a bread or cereal product. -expenditure over a period of time is calculated for a household. How can we make this achievable? Do they do with whanau or do we do during course as a group – not a typical family
24709	Produce a balanced budget to manage personal finances	3	Local budgeting service to do teaching on it. Budget can be prepared using pen and paper or software/ money management program, spreadsheet etc.

			-able to identify terms in relation to budgeting (income, expenditure, surplus, needs, wants, deficit etc.) -knowledge of 2 services that can help people with their budgets and financials -produce a balanced personal budget -consistent with students' circumstances, goals etc. -identify all incomes and expenditures -identify surplus or deficits -2 methods of monitoring a budget are identified
496	Produce, implement, and reflect on a plan to improve own personal wellbeing	3	Te Whare tapa Wha -at least 3 factors for own personal wellbeing (TWTW social, emotional, physical, cultural, spiritual etc.) -make a plan to improve personal wellbeing – at least 3 different methods -plan includes 2 methods of measuring wellbeing -changes to personal wellbeing were identified -reflection of the effectiveness for the plan
505	**Manage personal physical fitness with guidance**	3	-screening tool PAR-Q. History of medical conditions. -assessment methods: 12 min run, sit and reach test, etc. Fitness plan. Beep test? Fitness testing? Range selected -levels of fitness recorded -develop and produce a personalized exercise plan with guidance. Could tap into les etc. from gym?
29300	Maintain Hauora Personal wellbeing	4	Te Whare Tapa Wha links and interconnectedness -Strategies identified to maintain hauora – at least 1 for each of the 4 components generally -then personalized to individuals needs
12348	Demonstrate knowledge of anger management	2	Anger management program – tailored -understand emotions that underpin anger and that anger is a natural human state -describes how anger is expressed (physical, non-physical and self-directed)

			-2 benefits of handing anger constructively and 2 negatives of expressing anger negatively -options for managing anger issued described -sources that provide support identified: location, how to contact them and what services are offered
548	Demonstrate knowledge of the impact of alcohol and other drugs	3	Youth Intact to teach -Physical, emotional and interpersonal effects of AOD for both short and long term identified -AOD described in terms of their legal jurisdictions – possession, distribution and use -recognition of signs and symptoms of unsafe use of AOD- health, relationships, work and study -Strategies to manage pressure around AOD -3 sources that provide support. Locations, how to contact and services provided
3505	Communicate in a team or group to complete a routine task	2	-purpose of group task identified -communication with others is effective and respectful -own contribution is effective in group completing task -Was a car etc.
Whakapapa, culture and community / social interactions			
30908	Demonstrate knowledge of consequences of breaking laws	2	Community Law -Laws described by people who enforce them (Police- murder/crimes, agency of local govt alcohol licensing for pubs etc.), agency of central govt - OT) -personal consequences described breaking laws of the above (long term and short-term consequences) -other consequences of breaking laws- two from – legal, social/community, financial, property.
30910	Develop strategies to respond to cyberbullying	2	Clips online, guest speakers, conversations and forums from personal experiences

			-Cyber bulling is identified, examples and impacts (victim, fam, workplace, perp) -strategies developed to respond to C bullying -sources of assistance for victims identified -sources for reporting – how and who to
526	Describe community agencies and services provided	2	Visit to local community services, Starfish, budgeting, Plunket, Rail side by the green -5 local agencies- name, location, times of operation, contact details, services provided, costs -have examples – have student match which service/agency would be most suited for the need
29304	Describe elements of own culture, basic rights and responsibilities of being a citizen of Aotearoa	4	Te Hauora – Waharoa -Describe own culture- traditions, whakapapa (cultural practices, food, language, dress) -Basic human rights of being a NZer – disability equal rights, voting rights, pass port etc. -responsibilities of being a nzer (environmental sustainability, abiding by laws, cultural respect etc.
27106	Tikanga – Whakapapa	2	Fred – trip to the different Marae -Terms associated to whakapapa described and then used in relation to fam structure @ least 3
27108	Tikanga – Powhiri	2	Conduct a Powhiri at Starfish to teach lesson prior as to why things are done etc14 -describe at least 2 protocols for Powhiri -describe 2 roles in the Powhiri
			81 credit total

Item 8.3

Attachment A

Te Waka Six Month Report for July - December 2020

CM No.: 2403684

Rāpopotonga Matua | Executive Summary

Kiri Goulter of Te Waka Anga Whakamua Waikato, in attendance at 10.00am to present on the six-month report attached to the agenda.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

Te Waka Anga Whakamua Waikato is an economic development agency aimed to:

- Lift economic performance across the Waikato region;
- Attract, retain and grow investment, talent and business across the region;
- Champion and lead the region's collective voices for economic and business needs and opportunities.

Ngā Take/Kōrerorero | Issues/Discussion

The six-month report outlines Te Waka performance measures/KPIs from 1 July – 31 December 2020.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

Council provide annual funding of $30,000 through current budgets.

Ngā Tāpiritanga | Attachments

A⇩. Te Waka 6 month report July - December 2020 (Helping the Waikato through Covid-19)

Ngā waitohu | Signatories

Author(s)	Tamara Kingi **Committee Secretary and Corporate Administration Officer**	

Approved by	Sandra Harris **Corporate Strategy Team Leader**	
	Don McLeod **Chief Executive Officer**	

Executive Summary

It was not that long ago that the saying "what a difference a year makes" seemed to sum up the speed of movement and change across the globe, however in a world battling COVID this no longer seems to capture the urgency and uncertainty our region's communities and businesses are dealing with. Even as I write this six-month report, it's worth acknowledging the substantial changes and associated learnings since July that we have all faced that will continue to impact and shape our collective approach to Economic Development facilitation across the region.

COVID and the government's response provided us with significant additional resource to support our business communities in a way that we had not previously been resourced to do so. For Te Waka, this meant that the demand for our services put our Business Growth Team on steroids and into overdrive until December 2020. We distributed over $8 million of support and are delighted that for many small and medium Waikato businesses these services and funding enabled them to not just keep their heads above water, but find new opportunities, build their capability, resilience, and confidence.

The relationships formed across the Waikato as part of this outreach, showcased the power of collaboration and for the Board, it prompted a drive towards a stronger partnership model in order to meet regional needs and opportunities going forward. In August, the Board committed to a refreshed strategy, which was socialised with key stakeholders throughout September. This was well received. Our refocussed approach saw our immediate priorities for the last six months being;

- **Improving stakeholder engagement** - Clear and positive connections with local and central government and meaningful relations with key sectors and impact businesses
- **Focusing our attention on creating impact – S**ector development, Maori Economic Development, Intelligence, and Insights

It's important to note that while we've reset our organisation's focus on building capacity through collective effort, we've facilitated key industries to do the same. Our Sector Development workstream has gained significant momentum as we have brought together key influencers/leaders across Logistics & Distribution, Construction, Education and IT/Innovation, gathered intel, scoped opportunities and identified shared barriers to growth. Industry Action Plans are now expected to be rolled out through 2021. Te Waka has sought to understand and support Māori economic development aspirations and is progressing our social procurement activities and strengthening our relationships and partnerships with Iwi and Hapu.

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Towards the end of the year we sought to reconfirm Te Waka's mandate and support from local government. Through Councils' Long-Term Planning process we look forward to finalising this as we seek to strengthen our partnership and adopt a more collaborative approach to delivery with you.

In September Michael Bassett-Foss finished with Te Waka after two years and Director Kim Hill stepped down from the board in October. Over the first quarter of 2021 we will commence the search for a new CEO and replacement director for the board.

It is without doubt that while we recognise 2021 will be another challenging year ahead, we look forward to working more closely with you and our local partners to support economic wellbeing across the Waikato.

Kiri Goulter

Interim Executive Director

Outlined below is a summary activity report aligned to Te Waka's strategy –

Sector Development

Logistics and Distribution

The Logistics and Distribution sector contributed $607M to the regional economy in 2019[1]. The Waikato's central location, proximity to the Ports of Tauranga and Auckland, central roading and rail networks, Ruakura Inland Port, Firth of Thames and Tokoroa Distribution Hub present potential for strong growth and is a key focus on Te Waka's sector development activity.

Activities to date:

- October 2020, twenty industry leaders from some of New Zealand's largest logistics and distribution companies met to discuss the future of Waikato and Bay of Plenty in New Zealand's Golden Triangle.
- A sector advisory group has been established and are in the process of developing an industry led plan to strengthen the sector and coordinate and leverage investment in partnership with Central Government.

Looking Ahead:

- The plan scope will be finalised early 2021 and a commitment from partners sought to progress the development of the plan alongside local and regional government and national industry plans and a final plan is expected in April/May.

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Construction
The construction sector contributed $1.7M to the regional economy in 2019[1] and is recognised as a fast-growing sector for the region due to an increasing population driving residential building, the Waikato Expressway project and central and local government infrastructure investments. Te Waka is focussing on coordinating regional leaders to provide a voice for the region within national and local structures and enable and assist productivity and progress. Activities to date: • 40 industry leaders from Commercial, Residential and Horizontal businesses came together to identify and discuss opportunities and challenges for the sector • Issues and opportunities include; skills shortages, workforce attraction, availability and cost of land and provision of timely infrastructure, increasing regulation and new environmental standards, security of future work programmes, tender and consenting processes, training and development as key areas of focus for the sector. • A regional skills shortage survey has been completed with 70 construction sector respondents, highlighting, and clarifying the recruitment challenge in the industry. • Regional collective opportunities have been identified to pursue in 2021. Looking Ahead: • A sector advisory will be brought together to guide implementation of a coordinated business led regional plan of work. • A sector and industry profile will be published.
International Education
International education contributed $280M in student tuition fees and tourism to the regional economy in 2018[2]. The sector provides a valued workforce for employees in the region and diversity and richness in our community. Te Waka is working along the sector to coordinate regional partners, and support and enable the sector to provide economic, social and cultural benefits through greater collaboration and by enabling the sector to be more competitive for when international student attraction strategies recommence.

Activities to date:

- Te Waka is taking the lead contract with Education New Zealand to establish an international educational regional working group and advisory group.
- An International Education Plan has been developed that focuses on four key areas:
    1. Celebrating the region's international education presence.
    2. Retaining our international students.
    3. Supporting Pathways in Education (Secondary to Tertiary and on to Employment) and
    4. Creating a COVID-19 recovery plan.
- A student summer experience programme supporting students remaining in the country over summer.
- A partnership programme of work and draft COVID-19 recovery plan.
- Shared communications on the value of the sector to the Waikato.

Looking Ahead:

- Continue to advocate and partner with education providers for the safe return of international students.
- Development of collaborative marketing materials for providers in the region.
- Strengthening of pathway relationships from primary to secondary to tertiary education and on to employment.

IT/Innovation

The region's IT and Innovation sector / eco system enables and underpins business and industry across the region. Te Waka in partnership with with Cultivate IT, Hamilton City Council and Gallagher Te Waka is working collaboratively to strengthen and support industry where appropriate.

Activities to date:

- An industry survey has been completed to better understand the size, scale and impact of the sector and their needs and opportunities.

Looking Ahead:

- Utilise the survey responses and available industry information to define the sector and define a sector development programme alongside the businesses to improve and optimise opportunities for the region.

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Other sector activities:

Agribusiness

- The sector will play a critical role in the region's COVID-19 recovery.
- Te Waka partnered with KPMG and BNZ to host the Annual Leaders Breakfast and will continue to strengthen our partnership to support the sector where appropriate in 2021.

Health

- Largest employer in the region, Te Waka is exploring the establishment of leader's forums in partnership with Central Government. The forums will aim to understand opportunities and challenges for the region.

Manufacturing/Engineering

- Te Waka has provided support to WECA (Waikato Engineering Careers Association) and Pam Roa in her role as the lead for the Regional Skills Leadership Group to provide support for this sector.

Māori Economic Development

Te Waka's goal is to work alongside Iwi, Hapu and Māori enterprises to realise economic aspirations for all Māori within the Waikato rohe. Māori represent 24% of Waikato's population of 460,000 but are disproportionately represented in social statistics of need. By working alongside Iwi, relevant business networks and key central and local government agencies Te Waka looks to become an agent of change within this ecosystem.

Activities to date:

- Social Procurement. The work is supported by the Government's recent announcement to have a procurement target of 5% of government contracts for Māori business. Specific work activities include:
- Engagement with procurement managers for corporate, government agency and council via Waikato LASS.
- Presentation to Waikato Plan.
- A procurement webinar series (engaging Auckland Transport, Kāinga Ora, Amotai – social procurement agency).
- The creation of a memorandum of understanding with Amotai, who have been selected by central government to lead the relationship building and framework required to meet the 5% procurement target.

Staffing changes

- August 2020 saw the departure of Ashleigh Turner to MBIE, Jason Nepia moved across from Te Puni Kokiri to fulfil the Māori Economic Development Role and started in December.

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Iwi Engagement

- Engagement with the following Iwi has occurred, Ngāti Tūwharetoa, Waikato Tainui, Ngāti Hinerangi, Te Arawa River Iwi Trust, Raukawa. A partnership agreement was agreed to with Waikato Tainui in December, with a signing to occur in Jan 2021.

Looking ahead:

- The establishment of a regular resource for the delivery of social procurement via the Te Waka / Amotai partnership.
- The transition of the supplier centric role to Amotai, while Te Waka moves into the role of working with Iwi and relevant business networks identifying Māori businesses that are willing to participate within a supplier diversity framework. This work will include identifying and bridging any capacity and capability gaps that said businesses may have.
- Execution of agreed workplan with Waikato Tainui targeting Māori SME social procurement participation and their capacity and capability for exponential growth.
- Formalisation of partnerships and creation of agreed workplans with 2 more Iwi within Te Waka's boundaries.

Regional Business Support Network

Te Waka is the delivery agency for the Ministry of Business Innovation and Employment (MBIE) and New Zealand Trade and Enterprise's (NZTE) Regional Business Programme (RBP) and Callaghan Innovation Programme. The second half of 2020 saw a further extension of Government's Covid-19 business support package.

Activities to date:

- Over 3000 businesses were met, and the majority received some level of funding.
- A total of $8.8m of support was provided to Waikato businesses. This was made up of RBP; $260k, Tourism $560k, COVID $5.1m, Callaghan $2.9m.
- Te Waka relied heavily on the ecosystem resources, pulling together a team of skilled advisors to support the region through this time and leveraging connections with the following, allowing TW to deploy services across all districts rapidly;
  - Hamilton & Waikato Tourism
  - Ahikōmako (Te Wānanga Aotearoa)
  - SWIFT
  - Enterprise Great Lake Taupo
- Callaghan Innovation activities across Waikato businesses continued at twice the pace of any previous year with project grants, student support and the R&D loan package all being delivered through this period.
- 58 Mentees were matched with Business Mentors.
- Hubs in Morrinsville and Te Aroha, Coromandel, Whitianga and Whangamata were re-launched once TW resumed face to face meetings.

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Looking ahead:

- Covid-19 activities have provided a significant number of new connections to business and enhanced region wide engagement and opportunities to work smarter.
- Taking these lessons and building them into an enhanced regional delivery system to improve greater targeting and impact.

Gather Intelligence Share Insights and Advocate

Te Waka in partnership with Waikato Regional Council has continued to gather and disseminate data, insights and intelligence to monitor the Waikato's economic progress including insights into the labour market, unemployment figures, job advertisements, business indicators, trade indicators, exchange rates and housing market indicators.

Activities to date:

- The first Regional Business Sentiment Survey was completed in August with 589 responses received. Overall Waikato businesses felt more confident in their own business performance and less confident when considering either their sector or the region's performance. Confidence was lowest when considering the performance of the national economy as a whole.

Looking Ahead:

- Te Waka will continue to track the region's economic progress. The Economic Radar will move to a quarterly profile alongside the Quarterly Economic Insights.
- The Sentiment Survey will be repeated in February 2021 and then on a six-monthly basis.
- Continue to profile and celebrate Waikato's success via Waikato.com.

The Waikato Story

A key focus of Te Waka is to advocate strongly for the region ensuring a clear and compelling "Why the Waikato" proposition. This requires telling /selling a integrated regional economic story - aimed at attracting talent and business.

Activities to date:

- Waikato.com was launched in July 2020, bringing together Waikato Story, Te Waka and Waikato Business Support into one platform and a one stop shop for business in the Waikato. Functionality within the site offers users the ability to submit their own story and business capability events to the site for approval. The Waikato.com platform now hosts over 500 news stories; Te Waka is sharing these stories through various platforms and engaging with others to access the platform to share content.
- As part of the website development a 'Why Waikato' pitch was developed with 5 USPs developed; Well-Connected, Cost Competitive, Ambitious Workforce, Thriving Industry Sectors, Liveable.

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Looking Ahead:

- Continue to develop content for the Waikato Story aligned to the sector activities and in collaboration with partners to meet the needs of industry in profiling the Waikato.

Build Connections and Partnerships; and Drive Collaboration

Te Waka's goal is to implement a proactive stakeholder management program to build relationships based on trust and mutual respect to enable partnerships and collaboration across a broad set of stakeholders including central and local government, Iwi, Hapu, Māori and business and industry.

Activities to date:

- Local Government - Meetings with all Mayors & CEs to explore opportunities for strategic alignment.
- Presentations to Councils to socialise new Te Waka strategy which was well received.
- District priorities explored in preparation to develop collaborative work programme for 2021.

Regional projects

- Interim Regional Skills Leadership Group – Michelle Hollands is Te Waka's representative on the iRSLG. The iRSLG is part of Central Government's Review of Vocational Education and the Leadership Group (Sector, Community, Iwi and Workforce Leaders) provides advocacy on behalf of the region to Central Government and guides initiatives and investments to improve the Waikato's Labour outcomes. Over the last six months the iRSLG has refined it's understanding of the size, shape and progress of the Waikato Labour Market since COVID-19 through tracking and monitoring.
- Regional Housing Initiative – Michelle Hollands is Te Waka's representative on the RHI Working Group. A one-page strategy has been refined, and strengthened relationships with Central Government re the importance of housing (affordable and social) to New Zealand/Waikato.
- Waikato Wellbeing Project – Youth and Employment Manu Taki. Te Waka has partnered in the Waikato Wellbeing Project as a Manu Taki (Leader) in the Youth and Employment Project workstream. The community work programme for this workstream has seen a number of highlighted partnership actions form over the last six months.
- Te Waka will continue to support these three targeted regional projects. The aim: to connect Central Government agency and Ministers to the programmes; to leverage funds to enable outcomes; to connect and collaborate with partnered initiatives to drive change.

Regional Partnerships and Collaboration

- The Regional Engagement Strategy has been developed and adopted.
- An Outreach Plan has been designed to look at the delivery of Business support services into districts.
- Communities of Learning have continued and been reviewed to enhance region-wide relationships within the Economic Dev community.

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July – December 2020

Well Managed and Financially Sustainable

A key focus over the past six months has been to sharpen Te Waka's focus to ensure we add value and achieve impact. Te Waka's refreshed strategy has been discussed with central/local/regional government partners to reconfirm Te Waka's mandate as the Regional Economic Development Agency for the Waikato. All territorial local authorities have confirmed their support for Te Waka and willingness to partner and collaborate to achieve improved and shared outcomes across the region.

With limited financial and human resources, Te Waka has worked to firm up its financial position through tight budgeting and focussed allocation of resources aligned to strategy. This has meant carefully managing expectations and adopting a collaborative approach to delivery with partners as we cannot do it all.

CEO and Board changes

- Michael Bassett-Foss finished with Te Waka at the end of September after two years in the role.
- Director Kim Hill stepped down in October. Kim was a member of the establishment board and Te Waka Board for two years.
- Kiri Goulter (Deputy Chair) has stepped into an interim Executive Director (part time) until a new CEO is recruited.

Looking Ahead

- Confirmation of funding support from local/regional government through the long-term planning process.
- Discussions with Central Government re their regional economic development strategy/priorities and partnership support.
- Appointment of a new director.
- Appointment of a Chief Executive.
- Ensuring board, management and team are fit for purpose.
- Securing additional funding to enable Te Waka to deliver on its strategy and purpose more effectively.

Item 8.2

Safety and Wellness Report

CM No.: 2408572

Rāpopotonga Matua | Executive Summary

The monthly Safety & Wellness Update for February 2021 is attached to the agenda. Kate Stevens, Safety & Wellness Team Leader will be in attendance to discuss the reports with the committee.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments

A⇩. February 2021 Monthly Safety & Wellness Report

Ngā waitohu | Signatories

Author(s)	Kate Stevens **Safety and Wellness Team Leader**	

Approved by	Kelly Reith **People, Safety and Wellness Manager**	

Safety & Wellness Monthly Update: February 2021

Worker engagement

We had a good attendance at the H&S Committee meeting (see photo below) and some great discussion around risks such as fatigue, operating in the hot weather, driving and eye protection.

This month we also provided an induction workshop for our newly-elected H&S Representatives.

Contractors

Our focus this month for contractor site visits was the critical risk: working in the road reserve.

We completed four site safety visits: with On Time Traffic Management, Smart Environmental Ltd (Kerbside Collection), Schick and Fulton Hogan.

Purpose-build truck for safe set up of traffic management — includes anchor points for harnesses when setting up cones.

Reporting near misses

The Safety & Wellness promotion for February was near miss reporting.

This aligns with the Worksafe 'You can sense it, you can stop it' campaign.

Two of our H&S Reps kindly agreed to pose for our own 'meerkat' poster to promote this.

www.meerkats.worksafe.govt.nz/

Other happenings this month:

- We're trialling on-line manual handling refresher training rather than face-to-face training.
- Health monitoring is currently being held at Silver Fern Farm Events Centre: this is a trial as there have been issues with the previous location in the Te Aroha Office due to noise levels affecting the accuracy of hearing tests.
- KVS held a safety breakfast in February which included highlighting the importance of eye protection.

Events

Two near misses of note were reported:

A contractor was servicing the weighbridge at Morrinsville Refuse Transfer Station (which was closed to the public) when a customer opened the gate and drove towards the weighbridge. He was stopped by a member of staff but we are working with the contractor to identify safety improvements for this type of work.

Contractors were working in the pump room at Tawari Street when water started flowing into the room and flooded it. The water team are currently investigating this event.

Together we create a healthy, safe workplace where we thrive.

matamata piako district council | We are. Local Government.

Managing Worksite Traffic

A WorkSafe media release in February has highlighted the importance of managing worksite traffic effectively: 'The safety of customers and others interacting with a business must be a priority when considering health and safety in the workplace says WorkSafe, and policies in place should be implemented every day. The messages follow the sentencing recently of Vehicle Inspection New Zealand Limited (VINZ) following the death of a customer at their Hamilton site. The February 2019 incident involved a customer being struck by a vehicle driven by a VINZ employee at the Hamilton testing site. The customer suffered traumatic brain injuries and later died in hospital. WorkSafe's investigation found that while VINZ had some policies in place around the interactions of customers or visitors to the site, they were not actively implementing or enforcing the requirements.'

Refuse Transfer Stations

A key area of risk for MPDC with regards to work site traffic are our refuse transfer stations (RTS), particularly the use of mobile plant such as a loader while public are walking or driving on site. Children are required to stay in the vehicle on site, but we are mindful that they may not always be adequately supervised. Some work has been done to improve safety at Matamata and Morrinsville RTS sites, but further work is required in the long term to fully separate loader operations from public areas. The lack of space at Waihou RTS also creates work site traffic management issues.

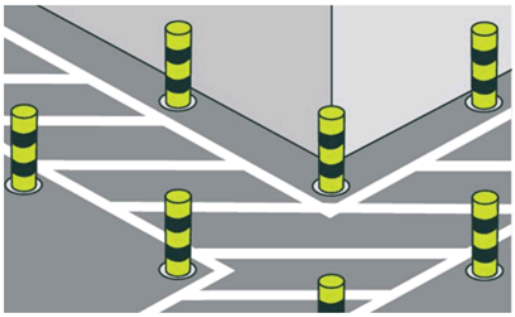
As an interim measure, the site operators have been instructed to only operate the loader when there are no public on site. Our Solid Waste Manager will be further discussing management of this risk with the contractor.

This month WorkSafe NZ released the guidance document: Managing Work Site Traffic

Here are some of the key points from the guidance:

- Where more than one business shares a work site, they must work together to manage the risks related to work site traffic.
- PCBUs should decide together how the risks will be managed. For example, they could agree that the PCBU that manages the work site focuses on control measures related to their work site layout, while the PCBU whose vehicles visit the work site focuses on control measures related to their vehicles and drivers. Both should work together to establish safe practices for activities that involve workers from both PCBUs, such as loading and unloading, and spotting reversing vehicles.
- A well planned and designed work site can reduce the risks to people working near work site traffic.
- The hierarchy of control must be used to manage this risk. For example, higher level controls such as isolation controls (e.g. separating customers and mobile plant) are required where practicable, rather than less effective controls such as signage.

The guidance is available here: https://www.worksafe.govt.nz/topic-and-industry/vehicles-and-mobile-plant/site-traffic-management/managing-work-site-traffic-gpg/



Item 8.3

Attachment A

Chief Executive Officer's Report

CM No.: 2411738

Rāpopotonga Matua | Executive Summary

The Chief Executive Officer's report for the period ending February 2021, is circulated separately to the agenda.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Debbie Burge **Executive Assistant to the Mayor & CEO**	

Approved by	Don McLeod **Chief Executive Officer**	