

Kaunihera | Council



Kaupapataka Wātea | Open Agenda



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

Ko te rā | Date: Wednesday 11 August 2021
Wā | Time: 9.00am
Wāhi | Venue: Council Chambers
35 Kenrick Street
TE AROHA

Ngā Mema | Membership

Koromatua | Mayor

Ash Tanner, JP (Chair)

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

James Thomas

Sue Whiting

Adrienne Wilcock

Waea | Phone: 07-884-0060
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TAKE ITEM	NGĀ IHINGA TABLE OF CONTENTS	WHĀRANGI PAGE
1	Whakatūwheratanga o te hui Meeting Opening	3
2	Ngā whakapāha/Tono whakawātea Apologies/Leave of Absence	3
3	Pānui i Ngā Take Ohore Anō Notification of Urgent/Additional Business	3
4	Whākī pānga Declarations of Interest	3
5	Whakaaetanga mēneti Confirmation of Minutes	3
6	Papa ā-iwi whānui Public Forum	3

NGĀ PŪRONGO A NGĀ ĀPIHA | OFFICER REPORTS

7	<u>Decision Reports</u>	
7.1	Te Aroha Spa / Hot Pool Project Budget & Governance Terms of Reference	4
7.2	Te Aroha Spa Governance Group - minutes of meeting 2 July 2021	22
7.3	Long Term Plan 2021-31 Audit Report	45
8	<u>Information Reports</u>	
8.1	Regional Transport Committee Meeting Report	64
8.2	Mayoral Diary for July 2021	76

1 Whakatūwheratanga o te hui | Meeting Opening

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

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

3 Pānui i Ngā Take Ohore 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
 - (iii) 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 | Declaration of Interest

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

5 Whakaaetanga mēneti | Confirmation of Minutes

Minutes, as circulated, of the Ordinary Meeting of Matamata-Piako District Council, held on 14 July 2021

6 Papa ā-iwi whānui | Public Forum

Te Aroha Spa / Hot Pool Project Budget & Governance Terms of Reference

CM No.: 2473163

Rāpopotonga Matua | Executive Summary

Due to its significance, this project was brought into the 2021 Long Term Plan (LTP) process. From this process there was clear support from the community to see this project progressed and on a scale aligned to the Business Case document that was developed in 2019 from the PGF funded process. Within this LTP process, a place holder operational project budget was developed. Taking the LTP feedback into account, Council formed the view that the project should proceed in a staged manner.

A key step in the project's early stages was that a Project Governance Group (PGG) be formed and this came together in April 2021. The PGG is responsible for the strategic direction and oversight of the project. A terms of reference has been developed to set out the PGG role and responsibilities and this is attached for approval.

In May, PGG members along with the Project Manager and various Council executives had a strategic planning session. Outputs from this session helped guide the development of a detailed project plan. The Project Manager has subsequently developed a detailed project plan with this now building upon the original foundation project plan where a number of key, initiating steps guided the early stages of the project, including the formation of project governance and management. The draft project plan is attached.

The detailed project plan has been reviewed by and discussed at a PGG meeting in July and will be used to guide project actions and progress. The detailed project plan has enabled the Project Manager to develop an operational project budget for FY 2021/22. The budget contains items that could be capitalised in due course, as well as operational expenses that support the project's progress. The total project budget for FY 2021/22 is forecast to be \$1,040m (rounded) including contingencies. It is intended that the Spa Development should be self-funding overtime. In order to ring-fence these costs staff have recommended that Council create a new reserve fund for the Spa development project. This fund could be established by way of converting current internal debt to external debt.

One of the actions within the project plan is to create a financial management reporting system that tracks expenditure. The aim is have this system created during August. This will then form the basis for financial reporting to the PGG and within Council. From the foundation project plan, it was anticipated that PGG would act with delegated authority from the Mayor and Councillors, including approving expenditure in line with Council approved budgets. It should be noted that from a governance oversight and prudential perspective the Mayor is one of the PGG members.

Tūtohunga | Recommendation

That:

1. The information be received.
2. The attached Terms of Reference for the Project Governance Group (PGG) be approved.
3. To enable this project to proceed as planned, Council approve the project budget for 2021/22 Financial Year as detailed in the 'operating budget' summary accompanying this paper.
4. Council creates a new "Te Aroha Spa Development Project" reserve fund. The purpose of the fund is recorded as "funds set aside for the investigation and initial development of the Te Aroha Spa development project". This reserve fund is to be established by converting current internal debt to external debt.
5. The project budget for FY2021/22 is funded from the newly created "Te Aroha Spa Development Project" reserve fund.
6. Should the Te Aroha Spa Development project proceed, any future surpluses from the operation of the complex should be transferred back to the reserve.

Horopaki | Background

Following the work completed under the PGF process in 2019, including the Feasibility Study, Business Case and Post Covid-19 Addendum, MPDC wishes to pursue a project that contemplates bringing to life a leading day spa, hot pool and beauty therapy business situated within the Te Aroha Domain, to replace the existing business's facility. The existing spa and hot pool business is successful when measured by client demand and financial metrics but the spa/beauty therapy facility has insufficient capacity to meet annual client demand with only 1 treatment room. The existing facility is also relatively old with outdated furnishings, decoration and environment.

A new facility as contemplated in the concept set out in the Business Case has the potential to be an anchor project for Te Aroha and the wider district with the potential to stimulate further business and economic growth, largely through tourism, which would improve social cohesion, economic, cultural and environmental outcomes.

Ngā Take | Issues / Kōrerorero | Discussion

The project is now at a stage where there is established project governance and management groups for, respectively, strategic oversight and project delivery. Early stage preliminary work has supported the strategic rationale for this project. The project plan separates the project into 3 phases with a logical sequencing of activities and the provision of 'stage gates' to manage risk and provide time to consult on and consider outcomes from key milestones. Clearly this is important so that the opportunity for waste is minimised.

The project is operating in phase one at present which primarily addresses key preliminary activities. This phase requires budget to be able to accomplish the various milestones and activities. Activities will have oversight from the PGG and where appropriate, procurement of any services will be subject to Council policies. The MPDC Chief Executive will authorise expenditure that is approved by the PGG.

Mōrearea | Risk

A project of this nature has many risk areas to be managed. Within budget, the greatest risk areas are around estimated forecast expenditure going in being too light for any given activity, and unforeseen expenditure arising through the period. To attenuate these risks, it is considered that a prudent approach is the provision of appropriate contingency levels for certain items. Some items have had the benefit of external expertise providing high level assessment to land on a budget figure.

Good financial and procurement management is also critical to managing budget risks. An appropriate financial reporting system will be implemented during August and procurement of any services will be managed in line with Council policies and procedures. Approvals and authorisations for expenditure are layered with Council executives providing the final authorisation. The Project Manager is in frequent contact with Council executives so that appropriate levels of communication are ongoing.

Ngā Whiringa | Options

The Project Manager considers that there are no appropriate options for consideration. The correct and prudent approach is to create a budget.

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

So that any procurement carried out within the budget period is done in a compliant fashion, this function must follow Council's procurement policy. The final authorisation of any expenditure, other than minor, will sit with the Council Chief Executive noting also that the MPDC Mayor is part of the Project Governance Group.

Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes

The project is well formed at this stage with a number of key milestones upon us. It would be important for this budget to be approved early in the new financial year.

Ngā take ā-lhinga | Consent issues

There are no consent issues directly relating to the creation or approval of the budget.

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: The project contributes to all outcome themes.

Community Outcome: If successful, outcomes for the community from this project would be multi layered and stem from the themes above where the envisaged day spa and hot pool development will stimulate economic growth within Te Aroha, particularly from inbound

tourism. As an anchor catalyst project, the envisaged new day spa and hot pool business would stimulate additional economic activity through a ripple effect from new commercial tourist experiences, and services such as accommodation and retail. In addition, part of the vision is for an enhanced overall experience for users of the Te Aroha Domain for recreation and leisure, where the rich history and cultural aspects could be part of this enhancement.







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

The budget forecasted for FY2021/22 is \$1040m (rounded). This budget contains some items that could potentially be capitalised in due course provided the project goes ahead, but the bulk of this budget is operational expenses that support the initial process to determine the viability of the project and ultimately to determine if the project will go ahead. It is intended that the Spa development should be self-funding overtime, so all costs should be ring-fenced so that this can be monitored. An easy way to manage this is to fund the project by way of a reserve fund. Two options for funding by way of a reserve fund are presented:

1. Council has an existing “Community purposes reserve”. The stated purpose for the reserve is “funds set aside for the use on community facilities or for community purposes”. The available balance of the fund (taking into account other funding allocations provided for in the LTP) is \$1.43 million.
2. A second option is to create a new reserve fund specifically for the Spa project development costs. This new reserve could be established by converting current internal debt to external debt.

There may be alternative sources of ‘cash’ to additionally fund either of these reserves in the future, including further conversion of internal debt to external debt, potential funding from the 3 waters reform (provided criteria was met) and income from surplus property sales. These are decisions Council may wish to consider in the future as the certainty or otherwise of the project becomes clearer.

Ngā Tāpiritanga | Attachments

- A . Operating budget summary 2021/22

- B . Draft Project Plan

- C . Project Governance Group Terms of Reference


Ngā waitohu | Signatories

Author(s)	Graham Shortland Project Manager - Te Aroha Spa Development	
Approved by	Niall Baker Policy and Legal Team Leader	

Item 7.1

	Don McLeod Chief Executive Officer	
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Te Aroha Spa/Hot Pool Project
Operating Budget Forecast, FY 2021/22

Item/activity	Estimated cost \$ excl gst
Geotechnical study of ground on the Domain	110,000
Geothermal water availability	160,000
Study tour	45,830
Options assessment - professional fees	40,000
Creation of a design brief - professional fees	50,000
Cultural impact assessment (balance of budget in FY 22/23)	20,000
Resource consent scoping (balance of budget in FY22/23)	25,000
Stakeholder engagement	50,000
Incidental resources and tools	30,000
Safety and wellbeing - professional fees	10,000
Risk management - professional fees	10,000
Contingency for unforeseen expenditure FY 2021/22	100,000
General contingency @ 10% on certain items above	45,500
PGG general business operating costs	101,900
Project Manager	240,000
Total	1,038,230

Draft
Te Aroha Spa and Hot Pool Project Plan

Description	Tasks/steps	Task lead; support People	When/ milestones	Resources and budget	Expected outcome(s)
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PHASE ONE					
Iwi to define their expectations and aspirations so that their bottom line imperatives are understood by the PGG.	Iwi representatives Jill and Norm to write this up.	Norm and Jill	July 31st 2021	\$2,000 time cost	Expectations and aspirations document to be produced for review by PGG and PM
How might this project interconnect with other Iwi?	Iwi representatives Jill and Norm to do a write up on how this would be accomplished.	Norm and Jill	July 31st 2021	\$1,000 time cost	Iwi interconnections document to be prepared for review by PGG and PM
The 'shape' of the new entity needs to be defined as this will guide facility design	PGG to document how the business and facility will look and feel.	PGG Co-chairs	End of August 2021	\$4,000 time cost.	The 'shape' document completed and circulated

brief and consultation. (use workshop outputs). Key considerations: How to make the new facility accessible; customer experience; how to future proof; define what 'top end' looks like; how to incorporate whakapapa design principles; spirituality, learning & people, Vision Statement.					
Acquire/develop the necessary project management tool(s) e.g Gantt chart, etc.	PM to identify appropriate tools and where necessary, acquire any electronic packages.	GS	By end July 2021	Acquisition of appropriate tools. \$500	Tools acquired/developed
Project financial management.	MPDC staff to create an appropriate financial and management reporting system and protocols.	GS with MPDC staff	GS with MPDC staff	MPDC financial systems	Report to PGG on the system and architecture.

The safety and wellbeing of people directly involved with the project needs to be managed.	A safety and wellbeing management plan to be developed.	GS with MPDC staff	By end December 2021	External resource to create the master plan. \$10,000	Safety and wellbeing plan documented and circulated.
A risk register will be a key management tool.	Risk register to be created together with a risk management framework.	GS with MPDC staff	By end September 2021	Risk management software \$1,000	Report to PGG on register and framework.
Ownership and the rights over the Domain land need to be clearly understood and agreed.	MPDC and Iwi to document their combined understanding.	Niall @ MPDC	July 31 st 2021	\$1,000 time cost	MPDC and Iwi understanding is documented and circulated
Study tour of other leading sector facilities to help shape thinking around any future entity.	Identify target entities and arrange visits.	GS	1. July 31 st 2021 for visits; 2. Document visit takeouts by mid August	\$45,000	Visits completed and key takeouts documented and circulated by the PM
A greater supply of Geothermal water will be required for a larger scale facility.	Appropriate external party/s engaged to assess the supply/availability options and as necessary, investigate	GS with MPDC staff	End September 2021	Specialist geothermal consultant and investigator. \$160,000	Investigations completed and findings documented

	geothermal ground water availability. Stage gate: If geothermal water availability is not viable then project needs to be reconsidered in light of information from this investigation.				
Anecdotal evidence suggests that land within the domain may have stability issues.	Appropriate external party/s engaged to do geotechnical study on appropriate domain land parcels. Stage gate: If the land cannot be built upon at an economical level then the project will need to be reconsidered in light of information from this study.	GS with MPDC staff	End October 2021	Specialist geotechnical consultants. \$110,000	Investigations completed and findings documented.
Is likely that a new or modified resource consent will be required for geothermal water.	Engage with Regional Council staff to discuss this to inform any future resource consent application.	GS with MPDC staff; BH to facilitate	By end July 2021		Key takeouts from discussions with WRC staff to be documented by the PM and reported to PGG and MPDC.

		via WRC CEO.			
For any new entity to be successful, people and capability will be key. A pipeline will need to be developed including the possibility of recruiting staff who have been trained overseas. The mix will require a combination of experienced and less experienced people.	<ol style="list-style-type: none"> 1. scope out the likely roles and number of staff required 2. engage with appropriate training and education entities and profile what qualifications are being offered 3. create a strategy for recruitment 4. engage with specialist recruitment agencies 	GS	Complete steps 1 and 2 by end November 2021; complete steps 3 and 4 by end March 2022		Report to PGG as each step is completed
Stakeholder engagement and consultation will be critical to the project's success.	Consultation plan to be produced.	GS with MPDC staff	By end October 2021		Consultation plan documented and circulated.
Communication with the District, TA community and stakeholders will be important to the project's success.	Develop a comms strategy.	GS with MPDC staff	By mid August 2021		Communication strategy documented and circulated.

<p>Note: the MPDC comms team are very attuned to the project and have been producing communication pieces and updates periodically.</p>					
<p>As this is intended to be a catalyst project, define how a broader Te Aroha destination strategy/proposition (tourism) comes alongside this project.</p>	<p>Engage with stakeholders such as Iwi, TABA, Waikato Tourism and frame up needs, opportunities and what a destination strategy would look like. NOTE: how or if such a strategy is delivered is a decision for MPDC as it currently sits outside the direct spa/hot pool project brief.</p>	<p>GS</p>	<p>By end February 2021</p>	<p>Appropriate specialist tourism/destination strategy consultant to assist with strategy scope \$10,000</p>	<p>Report/document engagement and framework outputs to PGG.</p>
<p>From defining the 'shape' of any new entity a range of options will emerge in terms of facility scale, services and location.</p>	<ol style="list-style-type: none"> 1. Define land envelope options 2. Facility design and business scale options to be documented and following agreement from the PGG these 	<p>GS</p>	<p>Complete step 1 by end July 2021; Complete step 2 by end of December 2021</p>	<p>Consultants for feasibility and financial analysis. \$40,000</p>	<p>Options assessment work undertaken and report produced.</p>

	options are to be further investigated.				
Review of the design and location options.	PGG and PM to review outputs from the options assessment and agree on which option(s) to take forward.	GS	By end February 2022		Desired design and location option is agreed by MPDC based on recommendation from PGG.
A design brief will be required and this will be based on outputs from the options assessment	Create a design brief.	GS	By mid April 2022	Architect and appropriate related professionals \$10,000	The design brief has been created and agreed by MPDC following recommendation from PGG.
PHASE TWO					
Conceptual designs will be required so that stakeholders can be consulted and construction estimates can be defined. This will feed into any proposals and the investment case.	Engage architects and other professional services to produce concept designs.	GS	June 2022	Architect and design professionals. \$60,000	Costed concept design(s) produced.
Consultation with stakeholders	Implement the consultation strategy.	GS with MPDC staff	September 2022 to November 2022		Consultation will be an ongoing process with closure coming when feedback has been considered

					and a final design, etc decided upon.
A business proposal (investment case) is required to support any investment in a new entity. This will then form the basis for a recommendation to MPDC and, if appropriate, taking to potential external investors.	An investment case to be developed. Stage gate: if investment case is weak or appetite for investment is negative then the project will need to be reconsidered in light of this information	GS	By end March 2023	Professional services/corporate finance professionals. \$50,000	Investment case document created and circulated.
The investment case, on assumption that there's the potential for a viable business, needs to be approved by MPDC. Any approval by MPDC is likely to follow further consultation with stakeholders.	Submit the investment case to MPDC for assessment and approval on recommendation by the PGG.	PGG	In May 2023		MPDC approve project to proceed.
With a viable investment case in hand, MPDC will need to secure	Secure funding for the project. This part of the process could become truncated should the	MPDC	June 2023 if just MPDC		Funding secured.

<p>funding. There is the potential also to bring in an external investor(s).</p>	<p>project do the rounds with interested private investors.</p>				
PHASE THREE					
<p>To support a successful business start up and ongoing, a business plan is a vital tool to execute against.</p>	<p>Prepare a business plan for the entity.</p>	GS	By end September 2023	Professional services. \$15,000	Comprehensive business plan is documented and circulated for approval by PGG.
<p>Detailed designs will be required so that consents can be prepared and submitted, and tendering for construction can proceed.</p>	<ul style="list-style-type: none"> o Prepare design tender documents and provide these to appropriate interested professionals o Let the tender for design work 	GS with MPDC staff	By end August 2023	Architects \$200,000	Detailed designs and all associated project documentation is prepared to enable consent applications and construction tendering.
<p>Resource, building and other statutory consents are required for any construction to begin</p>	<ul style="list-style-type: none"> o Submit the appropriate consents for approval (this is likely to be done by the designers/architects) 	GS	In December 2023	Architects \$100,000	Appropriate consents are provided.
<p>Once detailed designs have been created, MPDC to reconfirm approval to proceed following</p>	<p>Consult with MPDC and confirm with final sign off.</p>	PGG	December 2023		MPDC confirm final sign off.

recommendation by PGG.					
For any construction to proceed, a competitive tendering process is required.	Comprehensive tender document to be prepared and sent out to interested parties.	PM	December 2023	Architects \$50,000	Tender document prepared and provided to interested parties.
Receive tender documents back for assessment.	Assess responses to tendering process to determine which contractor(s) should be awarded the construction contract.	PM	March 2024	Architects \$10,000	Construction and related contract documentation prepared and signed.
Construction works to commence.			June 2024		
New facility opens			June 2025		

1.1 Project Governance Group Terms of Reference

Role and Responsibilities

The Project Governance Group's role and responsibilities are to:

- Monitor the project's progress against plan
- Maintain strategic oversight for delivery of the project
- Monitor the project's budget and timeline
- Ensure a strong integrated approach between Governance and Management
- Ensure statutory legal and fiduciary duties are discharged in line with Council and Local Authority rules, policies and requirements
- Maintain oversight of the project's safety and wellbeing plans
- Approve any media communications plans
- Approve any procurement contracts brought by the PMG
- Review any business or other supporting plans for the project and make recommendation to the MPDC Councillors
- Recommend any appropriate budget, scope or timing variances to the MPDC Councillors for approval
- Review periodic reports from the Project Manager and provide appropriate guidance to the PM around any material risks or issues arising
- Maintain an informed position on the broader operating environment and provide advice to the Mayor and Councillors on any appropriate changes to the project in response to changes in the operating environment
- Maintain an awareness on key stakeholder engagement and any issues arising and bring any urgent issues to the attention of the Mayor and Councillors

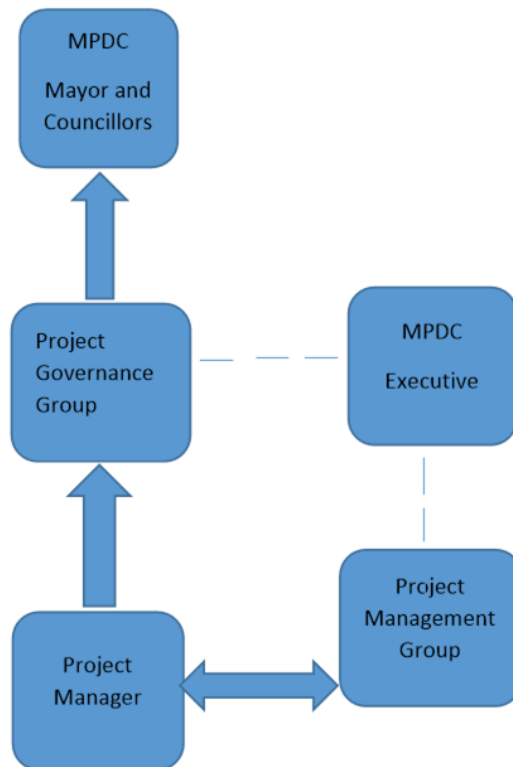
Authority

The PGG acts with delegated authority from the Mayor and Councillors to:

- Discharge decision making and actions consistent with its Role and Responsibilities
- Approve or initiate expenditure in line with Council approved budgets with authorisation for any expenditure, other than minor, coming from the Council Chief Executive prior to any commitments being made

1.2 Governance and Management Structure

In line with its Role and Responsibilities, the governance group is responsible for overseeing the project's progress and its strategic direction. This is a distinctly different role to that of management which is one of project plan delivery. Day to day management of the project is led by the Project Manager supported by the Project Management Group.



Te Aroha Spa Governance Group - minutes of meeting 2 July 2021

CM No.: 2478320

Rāpopotonga Matua | Executive Summary

Council has setup a Te Aroha Spa Governance Group made-up of Mayor Ash, and external members Barry Harris, Norm Hill, Kiri Goulter and Jill Taylor.

The purpose of this report is to report on the minutes of the first formal Governance Group meeting held on 2 July 2021. The minutes are attached.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

Following the recent Long Term Plan process Council formed the view that the Te Aroha Spa Development project should proceed in a staged manner.

A key step in the project's early stages was formation of a Project Governance Group (PGG) and this came together in April 2021.

The PGG is made-up of Mayor Ash, and external members Barry Harris, Norm Hill, Kiri Goulter and Jill Taylor.

The PGG is responsible for the strategic direction and oversight of the project. In May, PGG members held a strategic planning session. The minutes of the first formal Governance Group meeting held on 2 July 2021 are attached.

The intention is that the minutes of the PGG meetings will be reported to the Council or Corporate & Operations Committee. Council can then make decisions on issues considered and recommended by PGG, as required.

Mōrearea | Risk

There are no risks at this stage.

Ngā Whiringa | Options

There are no relevant options.

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

This not a significant issue in terms of the Significance and Engagement Policy.

There are no legal or policy considerations.

Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes

Consultation was undertaken through the Long-Term Plan 2021-31.

Ngā take ā-lhinga | Consent issues

There are no consent issues at this stage. If the project proceeds, a resource consent will be required.

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

There are governance costs for the external members.

Funding of specific initiatives will be from existing budgets.

Ngā Tāpiritanga | Attachments

[A↓](#). Agenda/Minutes - Te Aroha Spa Governance Group 2 July 2021



Ngā waitohu | Signatories

Author(s)	Niall Baker Policy and Legal Team Leader	
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Approved by	Erin Bates Strategic Partnerships and Governance Manager	
	Don McLeod Chief Executive Officer	

AGENDA/MINUTES

MEETING	Te Aroha Spa Project Governance Group	
DATE	2 July 2021	
TIME	10.30am	
VENUE	Council Chambers, Boardroom	
PRESENT	Barry Harris (Co-Chairperson), Norm Hill (Co-Chairperson), Jill Taylor, Kiri Goulter, Ash Tanner,	
Support staff	<p>Physical attendance – Graham Shortland (Project Manager), Niall Baker, Tuatahi Nightingale-Pene, Sharon Bryant, Mark Naude, Tamara Kingi</p> <p>Zoom attendance – Andrea Durie</p>	
External		
APOLOGIES	Don McLeod, Rachael Singh	
FILE REF	20/8606	
PURPOSE	Governance Group hui	
ISSUE	COMMENT/ACTION	BY WHOM/WHEN
Karakia	Norm performed the karakia.	
Meeting formalities	<p>Barry and Norm will alternate chair duties. Barry to chair the first official hui.</p> <p>The recent trip to Rotorua saw a visit to 2 spas and met with staff.</p> <p>Barry thanked the group for sharing their insights from the Rotorua trip, particularly Jill and Norm.</p> <p>Ash and his wife attended the “secret spot” in Rotorua. He will provide feedback later in the hui.</p> <p>The agenda provided will just be a guide. Anything that each party sees fit to raise should.</p> <p>The point of the governance group is to work through progression and agree on an action plan. The group will need to ensure the right resources are being used.</p> <p>The crucial point of governance role is to provide clear direction on deliverables so it is important that the group agrees on key points in this phase.</p> <p>Need crucial questions answered before fully committing. The short incursion to the South Island should provide clearer understanding.</p>	

<p>Check in from strategy session 21 May</p>	<p>Graham provided material by email for the group to reference.</p> <p>Barry asked the group whether there are any points not referenced in material that should be raised:</p> <p>Kiri</p> <ul style="list-style-type: none"> • In the key success factors, not enough focus was placed on the visitor experience. • The customer and design have been placed together. We are to provide an exceptional experience which flows into strategy. • In relation to look and feel, make sure that the spas are functional spaces that work well with a number of other elements. <p>Norm</p> <ul style="list-style-type: none"> • The document was relatable to the experience. From an iwi perspective, there is a lot of kupu, but limited to the Rotorua experience. Culture should be used to enhance, not inhabit • The collective foundation with strategy and goal are good, but need to see what the risks are. There is a risk around geology. • We will need guidance to manage and navigate risks. • This will be a holistic experience. Find the impasse and manage it i.e. important the forecast to navigate in strategy. There are risks to iwi as well and they should be empowered, not disillusioned. <p>Ash</p> <ul style="list-style-type: none"> • Unfortunately, there will be particular stakeholders that may never agree and could continue to be problematic. • Agreed to sending out continuous communications, remain transparent. Clear direction is required before doing so though. • The experience in Rotorua was invaluable. It provided a different perspective as to what we can fit into the spas and how it will work. • Should also be looking into accommodation and what could work for visitors coming to Te Aroha specifically for the spas. <p>Barry</p> <ul style="list-style-type: none"> • We will reinforce that we are intuned to the risks, now and in the future. • Reference to stakeholders is not to be underestimated. Need the right information and story to engage. • The group has identified that there will need to be constant communication as we navigate. • There are aspects of other spas that cannot work for Te Aroha. Te Aroha spas should but 	
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	<p>unique as there is nothing common that can be used to achieve our end goal.</p> <ul style="list-style-type: none"> • The Onsen pools (other than the view) was an average but expensive experience. The difference for them is that they have a captive tourism audience, as opposed to having to attract tourists. • We have the spa, the view and natural environment, combined with the quality of water which is a good start but for now, we need to focus on phase 1. It is important to know how to address phases 2 and 3 but will need to resolve key concepts in this phase. • In terms of strategy summary, comfortable moving forward with comments made so far. <p>Ash provided feedback of private spa in Rotorua:</p> <ul style="list-style-type: none"> - Wooden broadwalk up to the spa was surrounded by ferns provided for a natural calming feel. - There was a tub with table and chairs where they were provided with beer, wine and platter of food. - It was a push button service whilst visitors are in the tub. - The table and chairs were wooden barrels and there was hot water to soak your feet. <p>Group discussion</p> <ul style="list-style-type: none"> • Leadership and personality drive the kaupapa forward. Hells Gate was a prime example of this. Hells Gate is business focused, flow people, retail view etc. • Find solutions to engage with the right people, provide quality training to get quality staff. • It is important to have a strong whakapapa to place and purpose to drive the strategy forward. Iwi to iwi conversations required to relay that information and come back to the governance group. • Good to see the very separate business models relating to culture, people at Poly spas. Suspect people visiting Rotorua drive this. • How much details do they get into in terms of marketing? • Poly spas have a government grant through strategic policy. This is a different business model again. We need to understand this model. • Poly spas retained quality staff throughout Covid – they are also contribute to providing an experience to their visitors. • Poly spas have a government grant through strategic policy. They have a different 	
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	<p>business model what we will require. We will need to understand what our business model is and point of difference.</p>	
<p>Draft project plan</p>	<p>The work done creating the Gantt charts was much more detailed than the project plan and shows that another 8-9 months has been added to the project compared to the project plan. Majority of that will be through stages 2 and 3.</p> <p>Preliminary work will need agreement for timelines and actions etc. Jill and Norm will lead items 1 and 2 in the project plan. There were keys items flagged through strategy and conversations. Need to understand iwi perspective.</p> <p>Norm suggested using the “ake ake model” (recently applied on another project) as a tool to draw on what our expectations are in terms of holistic wellbeing. The maunga is the focal point which also provides water, birds, trees. Maximise the value of the essence of the maunga. Refer to the Rotorua document, learn from it, understand risks, expectations and drive the kaupapa.</p> <p>More bores are off the table. Challenge the thinking, the outputs and better use what we already have being environmental sensitivities.</p> <p>The third item on the programme is also very critical and a big piece of strategy.</p> <p>The feasibility study which has already been done, details site and activity, down to the spa facility which has a range of elements. Can this be used? Take the concept of the feasibility study, think further now about look and feel “shape” and some of those imperatives. Will need to work on the outdoors as this was not included in the initial study.</p> <p>The feasibility included a lot of engagement and consultation with various stakeholders in the community. Need to determine what elements of that will still apply. Use what we can and build upon it rather than restarting. Review the document so everyone understands. It provides a foundation, evolve and redesign efficiency and sustainability. How do we better use the resource? What is the flow</p>	<p>Graham will prioritise the geothermal investigations ahead of the geotechnical as siting of new facility is unclear.</p> <p>Graham will prepare presentation on feasibility study</p>

	<p>of the water bores? Smarter thinking around optimizing water.</p> <p>The technical discussion should provide information of the experience the spas will offer and the value that sits within it. The study provided for various options that catered for personal or group bathing situations. The tech elements will determine each of those success rates. Pricing, feasibility, viability, potential trade off with the sufficiency of enhancement of water. All issues are interconnected. Include spacial design.</p> <p>The communication plan will intertwine with consultation. Communication will be ongoing with progress and information involving stakeholders. Coms are aware of the project and have been doing social media, newspaper ads etc. Coms critical with resource consent. Focus on cultural heritage, diversity, have an event to nurture – feed it into the coms plan. Ensure iwi are informed and empowered within the journey. Need clarity of ownership and rights of the Domain land. It would be ideal to start communication now, introduce the team, show that we are learning and what we are planning for the long term plan. Let the community know as tasks are ticked off to avoid criticism that work is being done behind the scenes. Include pockets from Māori point of view i.e. Māori TV, Radio Tainu etc. should be present for any significant kaupapa.</p> <p>Potentially use other space other than the Domain such as other reserves on the maunga providing a holistic experience. What are the barriers of the reserve structures? Is there a potential to use the treaty settlement to unlock barriers? What are the fears from Council if the land is owned by iwi?</p> <p>Given this is a critical piece of work it should be at the top end so that Iwi and Council have a common understanding. The process will be several steps with Council doing a stocktake initially then Council and Iwi to meet and discuss, document understandings, report back to PGG and PM. There is a legal aspect that needs to be considered. Is external expertise required? Local Iwi and the District Council must agree to be able to move this aspect forward.</p> <p>The Domain is made up of a lot of land parcels, there is reserve status and a lot of complexities. Niall and Mark to coordinate an internal audit of Council to see what those parcels look like.</p> <p>Ash suggested considering another location such as behind the croquet building to see what it would look like behind the bush. Will need to take a better look at boundaries.</p>	<p>and arrange Visitor Solutions to attend next hui.</p> <p>Coms team to put out as much information as possible via website and CIF as the project progresses.</p> <p>Niall and Mark to do internal audit of the Domain parcels and to provide maps of the area.</p> <p>MPDC staff and iwi to meet and work through a solutions focused document.</p>
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	<p>There is a potential to utilize wasted mineral thermal as well. We can capture the substance of the tanks which are full of minerals. There is a commercial opportunity there to recover mineral product. There are issues with sediment blocking but working this out with plumbers. The sediment was rock solid so now doing regular jetting to rectify the issue. Figures of flow rates and waste will be provided.</p> <p>Define the brief very tightly, aspects of what is being used, nature of the resource, consenting process, opportunity for optimal use etc.</p> <p>A brief will be completed for suitable contractors with the aim of starting investigations in September. Placeholder budget estimate of \$160K. Need agreement on procurement process.</p> <p>Get the local plumber involved in geotech discussions. Jill and Norm will need to also remain in these discussions. Anticipating that we need a new resource consent or the current one modified.</p> <p>There was an initial conversation with regional council about their views, which fed into the feasibility and business case. There have been no fundamental stumbling blocks since then but important to engage with them to see if there are any new issues.</p> <p>It is important to know the implications (if any) of the water reform regulations coming through.</p> <p>Touch base with educational resources such as Wintec and Elite to see what training or education they are doing relevant to the roles we are looking for. Potentially use a recruitment agency. Stakeholder engagement is critical. Feedback from Jill, Norm and Council staff necessary to assist with the plan. Said plan be bought back to the group by the end of October.</p> <p>Norm performed the karakia for the kai.</p> <p>Adjourned for lunch at 12.25pm and reconvened at 12.44pm</p> <p>This is viewed as a catalyst project which will drive on other benefits for the town such as economic, social, cultural and environmental. Hanmer will be a great example of how to drive this further as a destination opportunity. Success of the project will be determined by Te Aroha as a place and community.</p> <p>From defining the shape of a new facility options may emerge so there could be a period of reflection and assessment of the options. Even if only 1 option this will require assessment so some time has been allowed for in the plan. Additional budget may be</p>	<p>Discussions with Regional Council regarding water reform.</p>
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	<p>required for concept designs. We will eventually hand information to an external professional to put together a conceptual design, giving them broad parameters to provide a costed concept design.</p> <p>First stage is to determine the process in terms of the available land, lwi, ownership, geo tech etc. The next stage (from experience) is where the project skills come together to drive forward the process – this will be the Project Management Group. For concept design there needs to be a conversation with an architect, engineers etc. There is possibly a gap in the current plan in terms of provisional budget of \$60K, discussion with a professional to test this budget is required (GS). There will be a project management group for these things. Will need to look at who will sit on this group to bring additional skills in future. It will be beneficial to have someone who has operational views of the spas. The governance group will ensure that whoever, and however, the group delivers the outcome that there is a cultural view and design will incorporate Ngāti Rāhiri-Tumutumu scapes. Consideration of some governance group members could also sit on the management group.</p> <p>Employ local, advocate for locals to be provided with opportunity to secure employment, subject to Council processes. If the investment case is good, need to secure funding which may include external investors.</p> <p>Resource consent could be done in advance of detailed designs. Start that process when appropriate. Commercial decisions need to be driven in this space.</p> <p>The governance group should be setting expectations, whilst the project management group will lead the design engineering etc. There will be internal knowledge and some external for capability through the project group. What skills are needed. This will be a world class development rather than a recreational facility.</p> <p>The governance group should be confident that the skillset is there when it comes to the project management group. Each member should think about what skills are required for the members of the project management and bring thoughts back to the next meeting.</p>	
<p>Project budget</p>	<p>There is no carry over from the previous year. \$18.9m is mainly budgeted for capex, only a small portion for opex. Refer to the budget provided in the excel spreadsheet. The budget for this financial year is largely phase 1.</p>	

	Think about the skill set and who should be on the management group. There is approx. \$300K for contingency in the current operating budget. Financial update for sequential meetings to be had.	
South Island study tour	Koha for hosts – local honey or gifts from iSite If time allows, experience Ngai Tahu night skies (Tekapo stargazing).	Graham to advise of any cultural protocols that hosts may have. Barry to email Mike Andrea to see whether a camera will be available for the trip.
Any other business		
General discussion		
Next meeting	12 August 10.30 – 2.30pm	Graham to invite Visitor Solutions
Meeting closed	2.00pm	

Reading Pack Strategy Session 21 May 2021

Introduction and Purpose of this Pack.

Within Phase One of the project plan, there is a key work package to progress outputs from the strategy session around defining the 'shape' of the new entity. We are not working directly on this topic at the PGG meeting on 2 July with the purpose of this pack being to refresh PGG members on key outputs from the May strategy session that support the 'shaping' work ahead. The 'shaping' work will be further informed at the conclusion of the South Island study tour.

Key Outputs from the May Strategy Session.

1. Key success factors identified
 - Customer and Te tiriti centric design approach
 - Financially self-sustaining
 - Broad stakeholder engagement and input
 - Ensure local employment opportunities are created over time -developing a pipeline for specialist skillsets
 - Regeneration - sustainable design
 - We are kaitiaki - ensuring the spa development is sustainable across all aspects of its operation
 - Strong Governance and Leadership
2. Strategic Imperatives
 - Commercially profitable and sustainable - enabling re-investment for broader financial benefits
 - Economic Outcomes - delivering opportunities to the wider community around employment and training, visitor numbers and a thriving business community
 - Environmental - Sustainable design and delivery, restores the mauri of the wai and maunga
 - Iwi Partnership - enhances wairua/mana
 - Te Tāngata and Culture - strong sense of place and heritage that is mana enhancing
3. Vision Statement propositions
 - An anchor for Te Aroha as a health and wellness destination
 - Healing and indulgence
 - High-end spa
 - Nationally recognized
 - Wow factor
 - A hero attractor

Thriving Community through regeneration
Regenerative beyond sustainability
Looks, feels like Aroha
Ko Te Aroha, ko au, ko au ko, Te Aroha

4. Look and Feel

Wairua enhancing for visitors, the community and environment
That the town offers a special experience
The feel to be a place you want to return to
Unique local theme
Captures indigeneity of the community
Lifts the mauri (spirit, energy)
Integrates old and new

5. Benefits

Act as a catalyst for Te Aroha to be known as health and wellness town
Will lift the wairua for visitors, the wider community and Papatūānuku
A catalyst for the revitalisation of Te Aroha Good
fiscal outcomes supporting rate payers Good returns
for shareholders
The spa development will be a place of storytelling - heritage and culture

Draft
Te Aroha Spa and Hot Pool Project Plan

Description	Tasks/steps	Task lead; support People	When/ milestones	Resources and budget	Expected outcome(s)
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PHASE ONE					
Iwi to define their expectations and aspirations so that their bottom line imperatives are understood by the PGG.	Iwi representatives Jill and Norm to write this up.	Norm and Jill	July 31st 2021	\$2,000 time cost	Expectations and aspirations document to be produced for review by PGG and PM
How might this project interconnect with other Iwi?	Iwi representatives Jill and Norm to do a write up on how this would be accomplished.	Norm and Jill	July 31st 2021	\$1,000 time cost	Iwi interconnections document to be prepared for review by PGG and PM
The 'shape' of the new entity needs to be defined as this will	PGG to document how the business and facility will look and feel.	PGG Co-chairs	End of August 2021	\$4,000 time cost.	The 'shape' document

<p>guide facility design brief and consultation.</p> <p>(use workshop outputs). Key considerations: How to make the new facility accessible; customer experience; how to future proof; define what 'top end' looks like; how to incorporate whakapapa design principles; spirituality, learning & people, Vision Statement.</p>					completed and circulated
Acquire/develop the necessary project management tool(s) e.g Gantt chart, etc.	PM to identify appropriate tools and where necessary, acquire any electronic packages.	GS	By end July 2021	Acquisition of appropriate tools. \$500	Tools acquired/developed
Project financial management.	MPDC staff to create an appropriate financial and management	GS with MPDC staff	GS with MPDC staff	MPDC financial systems	Report to PGG on the system and architecture.

	reporting system and protocols.				
The safety and wellbeing of people directly involved with the project needs to be managed.	A safety and wellbeing management plan to be developed.	GS with MPDC staff	By end December 2021	External resource to create the master plan. \$10,000	Safety and wellbeing plan documented and circulated.
A risk register will be a key management tool.	Risk register to be created together with a risk management framework.	GS with MPDC staff	By end September 2021	Risk management software \$1,000	Report to PGG on register and framework.
Ownership and the rights over the Domain land need to be clearly understood and agreed.	MPDC and Iwi to document their combined understanding.	Niall @ MPDC	July 31 st 2021	\$1,000 time cost	MPDC and Iwi understanding is documented and circulated
Study tour of other leading sector facilities to help shape thinking around any future entity.	Identify target entities and arrange visits.	GS	1. July 31 st 2021 for visits; 2. Document visit takeouts by mid August	\$45,000	Visits completed and key takeouts documented and circulated by the PM

<p>A greater supply of Geothermal water will be required for a larger scale facility.</p>	<p>Appropriate external party/s engaged to assess the supply/availability options and as necessary, investigate geothermal ground water availability.</p> <p>Stage gate: If geothermal water availability is not viable then project needs to be reconsidered in light of information from this investigation.</p>	<p>GS with MPDC staff</p>	<p>End September 2021</p>	<p>Specialist geothermal consultant and investigator.</p> <p>\$160,000</p>	<p>Investigations completed and findings documented</p>
<p>Anecdotal evidence suggests that land within the domain may have stability issues.</p>	<p>Appropriate external party/s engaged to do geotechnical study on appropriate domain land parcels.</p> <p>Stage gate: If the land cannot be built upon at an economical level then the project will need to be reconsidered in light of</p>	<p>GS with MPDC staff</p>	<p>End October 2021</p>	<p>Specialist geotechnical consultants.</p> <p>\$110,000</p>	<p>Investigations completed and findings documented.</p>

	information from this study.				
Is likely that a new or modified resource consent will be required for geothermal water.	Engage with Regional Council staff to discuss this to inform any future resource consent application.	GS with MPDC staff; BH to facilitate via WRC CEO.	By end July 2021		Key takeouts from discussions with WRC staff to be documented by the PM and reported to PGG and MPDC.
For any new entity to be successful, people and capability will be key. A pipeline will need to be developed including the possibility of recruiting staff who have been trained overseas. The mix will require a combination of experienced and less experienced people.	<ol style="list-style-type: none"> 1. scope out the likely roles and number of staff required 2. engage with appropriate training and education entities and profile what qualifications are being offered 3. create a strategy for recruitment 4. engage with specialist recruitment agencies 	GS	Complete steps 1 and 2 by end November 2021; complete steps 3 and 4 by end March 2022		Report to PGG as each step is completed
Stakeholder engagement and consultation will be	Consultation plan to be produced.	GS with MPDC staff	By end October 2021		Consultation plan documented and circulated.

critical to the project's success.					
<p>Communication with the District, TA community and stakeholders will be important to the project's success.</p> <p>Note: the MPDC comms team are very attuned to the project and have been producing communication pieces and updates periodically.</p>	Develop a comms strategy.	GS with MPDC staff	By mid August 2021		Communication strategy documented and circulated.
As this is intended to be a catalyst project, define how a broader Te Aroha destination strategy/proposition (tourism) comes alongside this project.	Engage with stakeholders such as Iwi, TABA, Waikato Tourism and frame up needs, opportunities and what a destination strategy would look like. NOTE: how or if such a strategy is delivered is a decision for MPDC as it currently sits outside the	GS	By end February 2021	Appropriate specialist tourism/destination strategy consultant to assist with strategy scope \$10,000	Report/document engagement and framework outputs to PGG.

	direct spa/hot pool project brief.				
From defining the 'shape' of any new entity a range of options will emerge in terms of facility scale, services and location.	1. Define land envelope options 2. Facility design and business scale options to be documented and following agreement from the PGG these options are to be further investigated.	GS	Complete step 1 by end July 2021; Complete step 2 by end of December 2021	Consultants for feasibility and financial analysis. \$40,000	Options assessment work undertaken and report produced.
Review of the design and location options.	PGG and PM to review outputs from the options assessment and agree on which option(s) to take forward.	GS	By end February 2022		Desired design and location option is agreed by MPDC based on recommendation from PGG.
A design brief will be required and this will be based on outputs from the options assessment	Create a design brief.	GS	By mid April 2022	Architect and appropriate related professionals \$10,000	The design brief has been created and agreed by MPDC following recommendation from PGG.
PHASE TWO					

Conceptual designs will be required so that stakeholders can be consulted and construction estimates can be defined. This will feed into any proposals and the investment case.	Engage architects and other professional services to produce concept designs.	GS	June 2022	Architect and design professionals. \$60,000	Costed concept design(s) produced.
Consultation with stakeholders	Implement the consultation strategy.	GS with MPDC staff	September 2022 to November 2022		Consultation will be an ongoing process with closure coming when feedback has been considered and a final design, etc decided upon.
A business proposal (investment case) is required to support any investment in a new entity. This will then form the basis for a recommendation to MPDC and, if appropriate, taking	An investment case to be developed. Stage gate: if investment case is weak or appetite for investment is negative then the project will need to be	GS	By end March 2023	Professional services/corporate finance professionals. \$50,000	Investment case document created and circulated.

to potential external investors.	reconsidered in light of this information				
The investment case, on assumption that there's the potential for a viable business, needs to be approved by MPDC. Any approval by MPDC is likely to follow further consultation with stakeholders.	Submit the investment case to MPDC for assessment and approval on recommendation by the PGG.	PGG	In May 2023		MPDC approve project to proceed.
With a viable investment case in hand, MPDC will need to secure funding. There is the potential also to bring in an external investor(s).	Secure funding for the project. This part of the process could become truncated should the project do the rounds with interested private investors.	MPDC	June 2023 if just MPDC		Funding secured.
PHASE THREE					
To support a successful business start up and ongoing, a business plan is a vital tool to execute against.	Prepare a business plan for the entity.	GS	By end September 2023	Professional services. \$15,000	Comprehensive business plan is documented and circulated for approval by PGG.

Detailed designs will be required so that consents can be prepared and submitted, and tendering for construction can proceed.	<ul style="list-style-type: none"> ○ Prepare design tender documents and provide these to appropriate interested professionals ○ Let the tender for design work 	GS with MPDC staff	By end August 2023	Architects \$200,000	Detailed designs and all associated project documentation is prepared to enable consent applications and construction tendering.
Resource, building and other statutory consents are required for any construction to begin	<ul style="list-style-type: none"> ○ Submit the appropriate consents for approval (this is likely to be done by the designers/architects) 	GS	In December 2023	Architects \$100,000	Appropriate consents are provided.
Once detailed designs have been created, MPDC to reconfirm approval to proceed following recommendation by PGG.	Consult with MPDC and confirm with final sign off.	PGG	December 2023		MPDC confirm final sign off.
For any construction to proceed, a competitive tendering process is required.	Comprehensive tender document to be prepared and sent out to interested parties.	PM	December 2023	Architects \$50,000	Tender document prepared and provided to interested parties.

Receive tender documents back for assessment.	Assess responses to tendering process to determine which contractor(s) should be awarded the construction contract.	PM	March 2024	Architects \$10,000	Construction and related contract documentation prepared and signed.
Construction works to commence.			June 2024		
New facility opens			June 2025		

Long Term Plan 2021-31 Audit Report

CM No.: 2474078

Rāpopotonga Matua | Executive Summary

The Long Term Plan 2021-31 was adopted on 30 June 2021. We have received the final Audit Report which details Audit NZ's findings and is attached for your information.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

Audit NZ have audited both our Consultation Document and our final Long Term Plan and the attached report details their findings. In summary;

- We received unmodified audit opinions on both the Consultation Document and Long Term Plan.
- Our overall control environment is reliable and all accompanying sections are consistent to reflect changes resulting from consultation.
- Two recommendations were made to improve our information on asset criticality, condition and performance. Management note we are already working on improving this information.
- Our performance framework is adequate and reasonable.
- Two recommendations were made to improve our financial model, forecasts and a minor rating issue. Management have noted improvements already underway.

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: We encourage community engagement and provide sound and visionary decision making.

Ngā Tāpiritanga | Attachments

[A↓](#). Final Audit Report with management comment



Ngā waitohu | Signatories

Author(s)	Sandra Harris Corporate Strategy Team Leader	
Approved by	Erin Bates Strategic Partnerships and Governance Manager	
	Don McLeod	

Item 7.3

	Chief Executive Officer	
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AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the Council on the audit of

Matamata-Piako District Council's
Consultation Document and Long-
Term Plan

For the period 1 July 2021 to 30 June 2031

Item 7.3

Attachment A

Contents

Key messages	3
1 Our audit report.....	5
2 Matters raised in the Audit Engagement Letter	7
3 Other matters	13
Appendix 1: Disclosures	15

Key messages

We have completed the audit of the Matamata-Piako District Council's (the Council's) Long-Term Plan Consultation Document (LTP CD) and the Long-Term Plan (LTP) for the period 1 July 2021 to 30 June 2031.

This report sets out our findings from the audit and draws attention to areas where the Council is doing well and where we have made recommendations for improvement.

LTP CD audit report

We issued an unmodified audit opinion, with an emphasis of matter paragraph on 10 March 2021. An emphasis of matter paragraph was included in the opinion to draw readers' attention to uncertainty over the three waters reform.

Overall, we were of the view that the District Council produced a LTP CD that fulfilled its primary purpose of providing an effective basis for public participation in decisions on the content of the LTP. The LTP CD included all the major matters that we expected, provided preferred and alternative options to address these issues and encouraged the community to provide feedback.

LTP audit report

We issued an unmodified audit opinion, with an emphasis of matter paragraph on 30 June 2021. An emphasis of matter paragraph was included in the opinion to draw readers' attention to uncertainty over the three waters reform.

We are satisfied that the LTP provides a reasonable basis for long-term, integrated decision making and coordination of the Council's resources, and provides a reasonable basis for accountability of the Council to the community.

Matters identified during the audit

The audit process of the LTP CD and LTP has gone well. Management engaged early and often with us and made available the underlying information as it was completed. Management have been open to feedback on the LTP CD and LTP and have demonstrated effective project management in delivering on the key milestones agreed on or renegotiating where required.

Thank you

We would like to thank the Council, management and staff for the assistance received during the audit process as well as their level of preparedness.



Lauren Clark
Appointed Auditor
27 July 2021

1 Our audit report

1.1 We issued an unmodified audit opinion on the CD



We issued an unmodified audit opinion on the LTP CD on 10 March 2021. This meant we were satisfied that the Council's LTP CD meets the statutory purposes and provides an effective basis for public participation in the Council's decisions about the proposed content of the 2021-31 LTP.

1.2 We issued an unmodified audit opinion on the LTP

We issued an unmodified audit opinion on the LTP on 30 June 2021. This means we were satisfied that the Council's LTP provides a reasonable basis for long-term, integrated decisions and coordination of the Council's resources, and provides a reasonable basis for accountability of the Council to the community.

We found the underlying information and assumptions used to prepare the LTP provided a reasonable and supportable basis for the preparation of the plan.

We also found that the disclosures on pages 221 to 224 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

1.3 We included an emphasis of matter paragraph in both audit reports

An emphasis of matter (EoM) paragraph was included in the audit report for the LTP CD and LTP to draw attention to the uncertainties associated with the three-water reform. In line with sector guidance, the Council has assumed that there is currently insufficient detail regarding the possible changes to services which will result from the three-waters reform programme, and therefore it is prudent to plan on a business-as-usual approach to service delivery. The future decisions of the three-waters reform may result in significant changes, which would affect the information on which the LTP has been based. We are satisfied the EoM remains relevant given the government announcement on 30 June 2021.

1.4 Uncorrected misstatements

The LTP CD and LTP are free from material misstatements, including omissions. However, during the audit, we found certain misstatements that are individually and collectively not material to the LTP CD and LTP. We have discussed all misstatements that we found with management. All misstatements identified have been corrected.

1.5 Project management, reporting deadlines and audit progress



The development of the LTP CD and LTP is a significant and complex project and a comprehensive project plan is required for a successful LTP process.

The Council had a detailed project plan which included key milestones, deadlines, and the work stream responsible. This contributed to producing quality underlying information documents and enabling the Council to meet all key deadlines.

The Council continues to be receptive to audit recommendations and is focussed on continuous improvement. In addition, Council staff were available throughout the audit and provided requested information in a punctual timeframe. Overall, this resulted in a smooth audit process.

2 Matters raised in the Audit Engagement Letter



In our engagement letter of 4 November 2020, we identified the following key risks and issues which were areas of emphasis during our audit.

2.1 The content of the consultation document

We reviewed the Council's LTP CD and are satisfied the LTP CD included appropriate information to enable consultation with the public on key issues. The impact on rates, debt, and levels of service were clearly described for the options presented.

2.2 Control environment

Our approach to the audit was to identify, confirm and assess the Council's key processes and controls over the underlying information and production of the LTP CD and LTP. The purpose of this assessment was to enable us to plan the most effective and efficient approach to the audit work needed to provide our opinion.

We found that the overall control environment was reliable for the purposes of supporting the LTP CD and LTP.

2.3 Financial strategy

We reviewed the Council's financial strategy and considered whether it is financially prudent and allows for the right debate with the community.

The Council's financial strategy has not significantly changed from the strategy used in the 2018-28 LTP, notwithstanding the forecast rates increases. The strategy is focused on managing the current levels of service, improving levels of service where that complements the Council's vision, keeping rates at an affordable level, and ensuring that debt is manageable and used predominantly to fund core assets, with headroom to deal with emergencies and opportunities.

We reviewed the financial strategy and the links to the infrastructure strategy and are satisfied the financial strategy is financially prudent and is reflected in the forecast financial information.

We confirmed the financial strategy was updated at the LTP stage to reflect the changes resulting from consultation.

2.4 Infrastructure Strategy

We reviewed the infrastructure strategy and are satisfied that it provides an overview of the Council's intentions regarding the management of its assets, including wastewater, stormwater, water supply and roading, and significant works planned for the upcoming 30 years. The document explains the issues well and substantially meets the requirements of section 101B of the Local Government Act 2002.

We confirmed the infrastructure strategy was updated at the LTP stage to reflect the changes resulting from consultation.

2.5 Assumptions

We reviewed and assessed the appropriateness of assumptions that the Council has used as a basis for the development of the LTP CD and LTP. Our findings on key assumptions are described below. We are satisfied that the assumptions are appropriate and that they have been applied consistently in the development of the underlying information of the LTP CD and LTP.

2.5.1 The continuing impact of Covid-19 on the District Council's forecasts

The Covid-19 pandemic and the subsequent national response has created significant uncertainty for businesses, local and central government organisations, as well as communities and families. The continued economic impact has implications for the Council's growth and revenue assumptions and the level of service the Council can provide in the future.

To support councils in developing their planning forecasts, Business and Economic Research limited (BERL) prepared scenarios for cost adjustors to be used by councils in their planning and project activities. These cost adjustors are projected under three post Covid-19 recovery scenarios, which are consistent with economic forecasts published by the Reserve Bank of New Zealand, the New Zealand Treasury and BERL.

For the purposes of the LTP CD and LTP, the Council have assumed the BERL mid-scenario, which is expected to be the most likely outcome for most regions of New Zealand.

We understand the district's economy has been cushioned from the more severe impacts of Covid-19 due to a diverse economy, strong rural/agribusiness sector (especially farming/agri-business) and a low reliance on international tourism. Development activity in the district remains strong with growth in consents and development contributions continuing to exceed forecasts post Covid-19 lockdowns. As a result, we are satisfied that the application of the mid-scenario is reasonable.

We reviewed the Council's approach for the impact of Covid-19 and are satisfied the Council's assumption has been factored into the underlying policies, strategies and assumptions used to prepare the LTP CD and LTP. We are also satisfied the Council's Covid-19 assumption is reasonable and supportable, and the disclosure of this assumption is sufficiently complete.

2.5.2 Climate change

Local authorities are facing an unprecedented challenge in adapting to and mitigating the impacts of climate change across the period of the LTP and infrastructure strategy. We considered the assumptions the Council has made about climate change and the adequacy of other related information and disclosures.

The Council's climate change assumptions are that extreme rainfall events are likely to get heavier and more frequent, but with longer dry spells and hotter weather, therefore increasing severity of droughts for the district. The Council has disclosed the level of uncertainty for this assumption as 'high'. The Council's climate change assumptions align with Ministry for the Environment (MfE) climate change projections for this region and as a result we accept these as reasonable and supportable.

We assessed the quality of the supporting documentation the Council used in the development of its assumption and are satisfied the climate change assumption has been applied consistently in the development of its underlying information.

We understand the Council's main strategy for dealing with known and uncertain climate change risks is to increase the resilience of the networks most likely to be affected by maintaining its renewals programme, and providing additional infrastructure to ensure networks can deal with events as they occur.

2.5.3 Capital expenditure delivery

A key focus area for our 2021-2031 LTP audits was assessing the reasonableness of local authorities' assumptions about capital expenditure delivery. Local authorities have, on average, only spent 77% of their capital expenditure budgets from 2012/13 to 2018/19. Under-delivery of capital expenditure budgets can have significant implications to the local authority and the community, including reductions in levels of service, and ratepayers paying for work that has not been completed.

In forming a view of the reasonableness of the Council's capital expenditure forecasts, we reviewed how well the Council has delivered against its previous forecasts.

We found the Council has a reasonable track record of delivery, most notably on core renewal budgets for water and roading renewals. Where planned projects had not been delivered, most significantly in the wastewater activity, there were satisfactory reasons given for the deferrals.

We also considered the Council's plans to meet its delivery forecasts across the coming LTP period, given the overall uplift in capital spend compared to the previous LTP. We found the Council to be alert to delivery issues, having taken relevant actions to support the timing of capital delivery. These include increasing internal capacity, changing contract delivery modes, and developing realistic timeframes based on planning requirements and funding availability.

Given the mechanisms put in place to improve capital delivery, we are satisfied the Council's assumption about its ability to deliver on capital forecasts is reasonable. However, the risk and uncertainty associated with this assumption is increased due to environmental factors beyond the Council's control. These include constraints in the availability of contractors, specialists, and supplies in New Zealand, compounded by border closures, a highly competitive labour market, and an overall uplift in proposed capital spend across the public sector. We are satisfied the Council's disclosure of the high level of uncertainty and moderate to high risk associated with the capital delivery assumption is appropriate.

2.5.4 Waka Kōtahi subsidies

On 27 May 2021, the Waka Kōtahi (NZ Transport Agency) Board endorsed the indicative investment levels for continuous programmes for councils as part of developing the 2021-24 National Land Transport Programme (NLTP).

For many councils, the indicative investment was significantly lower than they had budgeted for, resulting in a shortfall to be resolved through use of other funding sources or cutbacks to the capital programmes for roading and/or public transport in the early years of the LTP.

We confirmed the shortfall in the Council's indicative investment was not significant and no adjustment to forecasts was required.

2.6 Quality of asset-related forecasting information (including condition and performance information for critical assets)

A significant portion of the Council's activities relates to the management of its infrastructure: the roading network and the 'three waters' of water supply, sewerage and stormwater drainage. These activities typically make up a significant percentage of the Council's operational and capital expenditure.

We found the asset management control environment is reasonably reliable for the purposes of supporting the LTP CD and LTP. Our conclusions were formed after assessing the quality of asset management information and the accuracy, reliability, and supportability of the flow of information from asset management planning into the LTP CD and LTP. We carried out a high-level assessment of the Council's asset management planning systems and reviewed certain aspects of the Council asset management plans. We also reviewed the Council's infrastructure strategy and held discussions with staff involved in asset management planning for key infrastructure activities.

We also assessed whether there was sufficient data on condition and performance of assets for the Council to adopt a structure approach for their renewals. We found that, while some information gaps, exist, the Council has sufficient data for renewals forecasting considering the age and level of complexity in the district's networks.

In reviewing the Council's asset management plans, we noted that a small percentage of pipe materials for the three water assets are described as being of unknown material. Management have explained that in these instances, the asset is assigned the useful life of the lowest rated pipe material. We understand this predominately relates to narrow dimension pipes serving a small number of customers and/or older assets that are coming due for renewal in any case. Given the Council takes a conservative approach by assuming the worst performing material, we are satisfied there is low risk to network users and to financial forecasts because of this information gap.

We also understand Council staff and contractors regularly amend asset lives and materials in AssetFinda based on information obtained during the normal course of operations.

We recommend the Council continue to improve its information on condition and performance of its assets and ensure this information is captured in asset management plans and asset management systems. This is more important than ever given the significant investment planned for the coming LTP period and the potential transfer of water infrastructure assets as a result of the Three Waters Reform Programme.

Management comment

Have noted these comments. As part of the 3 Water Reform we are completing a number of upgrades to our asset data and working on a criticality model that we can use for prioritisation going forward in our 3 waters space. We are also implementing the mobile application so that better integration can be provided for staff on-site and asset changes noted in the field.

2.6.1 Identifying critical assets

'Critical assets' are those assets with a high consequence of failure. They are often found as part of a network, in which, for example, their failure would compromise the performance of the entire network. When reviewing asset management plans and information from the AssetFinda system we found that Council describes its critical assets quite broadly, and it is unlikely that all assets labelled 'critical' would in fact lead to the severe financial, business, or service level consequences envisaged by the term.

We understand Council is currently working on developing a more sophisticated model of asset criticality across its three-waters assets and ensuring this is effectively captured in AssetFinda. This will help ensure asset spend can be optimised towards critical assets with more sophistication going forward, which will support the Council's goals and affordability.

We recommend the Council prioritises the development of the improved asset criticality model. We will follow up on progress during our annual audits.

Management comment

Have noted these comments. As part of the 3 Water Reform we are completing a number of upgrades to our Asset Data and working on a Criticality model that we can use for prioritisation going forward in our 3 waters space. This work is progressing and will be completed by December 2021 at the latest.

2.7 Performance framework

We reviewed the Council's performance framework at the consultation document stage and made several recommendations to management for improvements to measures or targets. We followed up as part of our review of the LTP document and are satisfied the Council has addressed our recommendations.

Overall, we assessed the performance management system, processes, and controls as adequate. We conclude that the levels of services and forecast performance are reasonable and link to the forecast financial information. The forecast performance framework is adequate and will provide an appropriate framework for a meaningful assessment of actual levels of service provision delivered by the Council.

3 Other matters



In this section, we have detailed our key findings from the audit. We have also detailed our findings in relation to other areas of focus.

3.1 Financial model and forecasts

To assess the financial forecasts, we focused on the integrity of the financial model, the reliability of the source data and whether the outputs of the model have appropriately flowed through to the underlying information (i.e. the financial strategy, infrastructure strategy and financial forecasts).

Overall, we are satisfied that the financial model is reasonable and that it accurately reflects the information included in the underlying information. However, our review also identified that there are very few automated controls and safeguards in place over the model. We also found that there is one key 'owner' of the model who holds the knowledge of the model workings, as well as the main inputs and outputs. We did not identify any formal independent review process being undertaken.

We recommend the Council review their processes to identify areas where controls can be implemented. It would also be beneficial to spread the knowledge of the model across a wider group of individuals, to ensure future proofing of the process going forward.

Management comment

Our LTP financial modelling is developed in a series of spreadsheets where the underlying information is fed, and assumptions and funding and other decisions are applied in developing our financial forecasts. While there is one staff who performs the bulk of the modelling work, a further staff member has a detailed knowledge of the workings of the model, and we have a process map that provides a reasonably detailed overview of the modelling process. Our Finance team fully appreciate that there will always be inherent risks in the use of spreadsheets. We do have some checks built into the spreadsheets, but it of course is not immune to errors, and as such, the team spend a lot of time confirming the reasonableness of the output from the model and equally when changes are made, so that we have some comfort over this. For future LTPs, we can look to formalise some of these reviews, and implement further controls and safeguards over access to the modelling.

3.2 Compliance with the Local Government (Rating) Act 2002

The Council engaged external legal experts to conduct a review of relevant aspects of the Council's rating practice, including the Funding Impact Statement and draft rates resolution. Management made several improvements to these documents following this legal review. However, one matter remains outstanding. This relates to the 50% discount on metered water rates given to Matamata farm properties if payment is made by the due date. Legal advice suggests this is a remission, and as such is required to be included in Council's remission policy and duly consulted on.

Management have assessed there is low risk resulting from this non-compliance, and plan to address during the next annual plan consultation process. As the value of the rate in question is highly immaterial, we are satisfied this has no material impact on the LTP financial forecasts.

We recommend management address this matter in time for adoption of the 2022/23 annual plan.

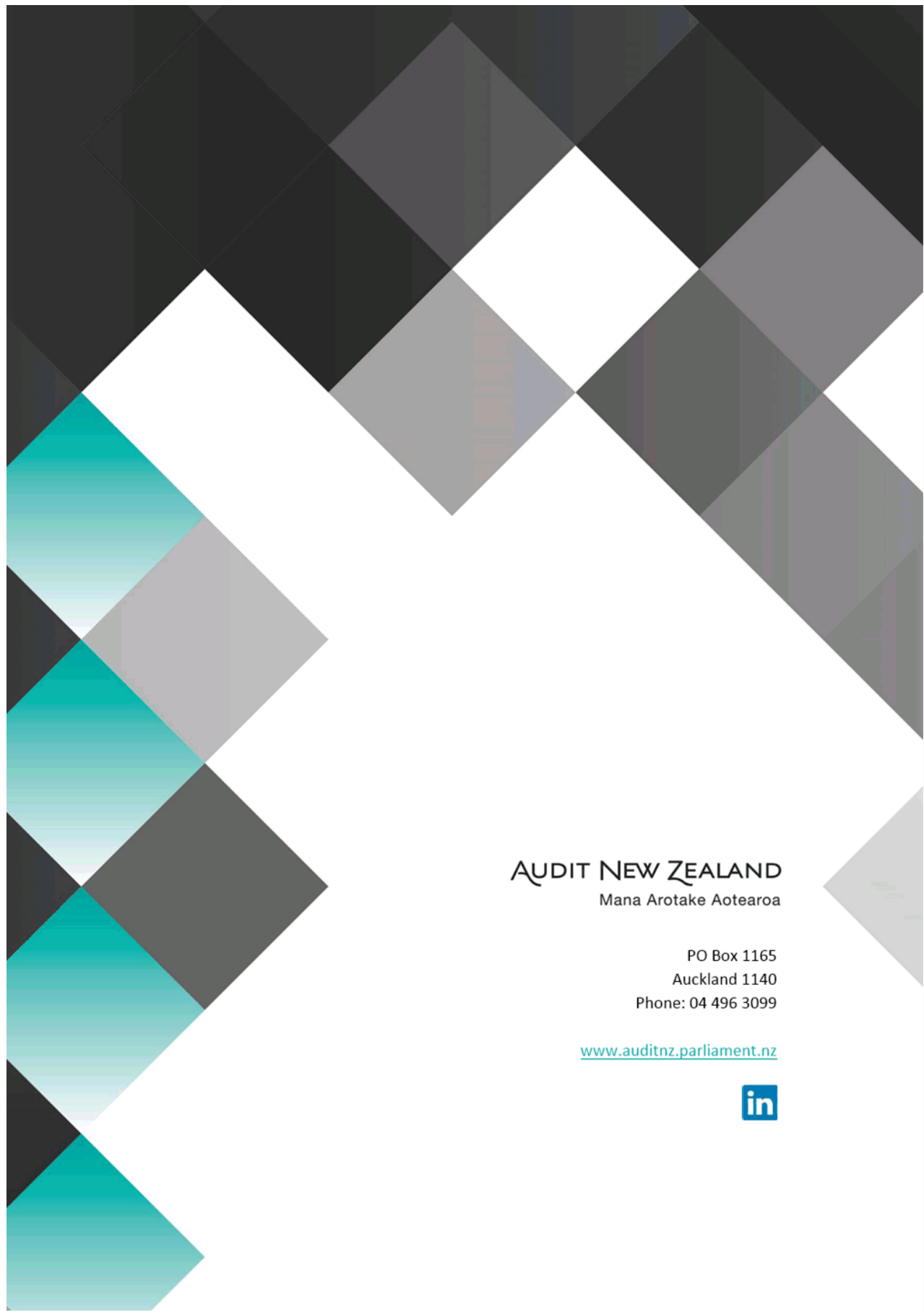
Management comment

As stated above, we are satisfied the resulting risk is immaterial, but staff will look to remedy this in time for the next Annual Plan.

Appendix 1: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the LTP CD and LTP and reporting that opinion to you. This responsibility arises from section 93C(4) of the Local Government Act 2002.</p> <p>The audit of the LTP CD and LTP does not relieve management or the Council of their responsibilities.</p> <p>Our audit engagement letter dated 4 November 2020 contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity, or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Local Authority in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): <i>Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to the LTP CD and LTP audits we have carried out engagements in the areas of annual audit and the debenture trust deed assurance engagement and are providing assurance over certain matters in respect of the Council's procurement practices, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in Council.</p>
Fees	<p>The audit fee, covering both the LTP CD and LTP audits for the year is \$84,000 as detailed in our Audit Engagement Letter.</p> <p>We will also charge an audit fee for the audit of the annual report for the year ended 30 June 2021 during this period.</p>

Area	Key messages
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Local Authority that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Local Authority during or since the end of the financial year.</p>



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Regional Transport Committee Meeting Report

CM No.: 2449471

Rāpopotonga Matua | Executive Summary

The Regional Transport Committee meeting was held on 14 June 2021. The agenda and minutes to the meeting are attached to this report.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background


The Regional Transport Committee (RTC) is a Committee of Waikato Regional Council. The committee includes elected members of the regional's territorial authorities, representatives of the New Zealand Transport Agency and New Zealand Police. Responsibilities of the committee are:

- Preparing the Regional Land Transport Plan (RLTP) for approval by the regional Council.
- Providing the regional Council with advice and assistance it may request in relation to transport.
- Advocating for transport investment in the region.
- Working collaboratively with local government and stakeholders across the region to prioritise and address transport issues.
- Undertaking monitoring to assess progress on implementing the RLTP

Follow the web link for further information on the RLTP:

<https://www.waikatoregion.govt.nz/council/policy-and-plans/transport-policy/rltp/>

Ngā Tāpiritanga | Attachments

A.  Regional Transport Committee Agenda Package for meeting 14 June 2021 (*Under Separate Cover*)

B.  Open Minutes of Regional Transport Committee - 14 June 2021

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	
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Waikato Regional Council
Regional Transport Committee
OPEN MINUTES

Date: Monday, 14 June, 2021, 9.35am
Location: Council Chambers
Level 1
160 Ward Street, Hamilton

Members Present: Cr H Vercoe - Chair (Waikato Regional Council)
Cr A Strange - Deputy Chair (Waikato Regional Council)
Mayor A Tanner (Matamata-Piako District Council) (from 9.42am until 13.10pm)
Cr R Dow (Ōtorohanga District Council)
Cr B Machen (South Waikato District Council)
Cr T Fox (Thames Coromandel District Council)
Cr E Patterson (Waikato District Council)
Cr K Taylor (Taupō District Council)
Cr P Brodie (Waitomo District Council)
D Speirs (Waka Kotahi NZ Transport Agency)
Cr D Macpherson (Alternate - Hamilton City Council)

In Attendance: Cr R Rimmington (Waikato Regional Council)
Cr D Tegg (Waikato Regional Council)
Cr S Kneebone (Waikato Regional Council)
Cr A MacPherson (Waikato Regional Council)
Cr J Nickel (Waikato Regional Council)
Cr S Thomson (Hamilton City Council)
Cr M Gallagher (Hamilton City Council)

Staff Present M Tamura – Waikato Regional Council Manager Integration and Infrastructure
N King – Waikato Regional Council Team Leader Transport and Infrastructure
J Cox – Waikato Regional Council Democracy Advisor

Doc # 21052846

Open Minutes of the Regional Transport Committee 14 June 2021

The meeting commenced at 9.35 am with the Chair of the Waikato Regional Council Cr R Rimmington welcoming all members of the Committee to the new council building for their first meeting at the venue.

1. Apologies

Cr Vercoe welcomed the members to the meeting and tendered apologies for the councillors from Waipā and South Waikato, the Mayors from Matamata Piako and Hauraki Districts, and the Waikato Highway Patrol Police Inspector J Penno.

RTC21/11

Moved by: Cr H Vercoe

Seconded by: Cr A Strange

That the apologies of Councillors G Webber and B Machen, Mayors T Adams and A Tanner and Inspector J Penno (for lateness or absence) be accepted.

carried

2. Confirmation of Agenda

RTC21/12

Moved by: Cr E Patterson

Seconded by: Cr T Fox

That the agenda of the meeting of the Regional Transport Committee of 14 June 2021, as circulated, be confirmed as the business of the meeting.

carried

9.42am – Mayor Tanner entered the meeting.

4. Confirmation of Minutes

RTC21/13

Moved by: Cr E Patterson

Seconded by: Cr K Taylor

Resolved (Section A under delegated authority)

- 1. That the minutes of the Regional Transport Committee meeting held on 12 April 2021 be confirmed as a true and correct record.**
- 2. That the minutes of the Regional Land Transport Plan Hearings Committee meeting held on 16 April 2021 be confirmed as a true and correct record.**
- 3. That the minutes of the Regional Land Transport Plan Hearings Committee meeting held on 17 May 2021 be confirmed as a true and correct record.**

carried

5. Waka Kotahi New Zealand Transport Agency

Presented by Waka Kotahi NZ Transport Agency Director Regional Relationships (D Spiers). Refer document #21064792 for the PowerPoint presentation. The following was noted:

- a. With costs increasing without a corresponding increase in the pool of government

Open Minutes of the Regional Transport Committee 14 June 2021

funding a member asked whether there was a proposal for local authorities to meet the shortfall. In response members were advised that the region would need to work with what it had but it was expected that areas of growth would be unaffected. The board expected to be presented with a range of options for managing the gap.

- b. The deadline for the *Regional Land Transport Plan* to be presented to Waka Kotahi was a fixed. This would allow sufficient time for the board to consider the Plan in time to sign off on the *National Land Transport Plan*.
- c. A member clarified that the proposed plan for Waka Kotahi was to progress the State Highway 26 roundabout in Morrinsville before the work required in Paeroa.

RTC21/14

Moved by: Mayor A Tanner

Seconded by: Cr R Dow

Resolved (Section A under delegated authority)

That the report *Waka Kotahi New Zealand Transport Agency (Regional Transport Committee 14 June 2021)* be received.

carried

6. Metro Spatial Planning Update

The report was presented by members of the Transport Working Group for Future Proof Hamilton City Council (P Hazelden), Waka Kotahi NZ Transport Agency (S Loynes) and Waikato Regional Council Senior Policy Advisor (V Kuo). Refer document #21002579 for the PowerPoint presentation. The following was noted:

- a. Overseas examples were being considered along with local examples such as Albany. All options needed to be considered and measured against the key performance indicators.
- b. With regard to a question around costs and options for park and ride facilities or bus priority lanes, members were advised it was too early for these to be known. Work would be done to refine this through the technical stages of the Plan.
- c. Members noted that with district plan reviews underway, it would be ideal for territorial authorities to receive early direction. Members were advised that conversations would be ongoing.
- d. The Transport Working Group was taking in to account a number of different workstreams and plans including the Hamilton to Auckland (H2A) project, the *Metro Area Spatial Plan*, and the River Community in the middle. The Group were looking at the implications for growth in the North Waikato Area. That would be a separate piece of work.

RTC21/15

Moved by: Cr A Strange

Seconded by: Cr D Macpherson

Resolved (Section A under delegated authority)

That the report *Metro Spatial Planning Update (Regional Transport Committee 14 June 2021)* be received.

carried

7. **Regional Road Safety Report**

Presented by Waikato Regional Council Team Leader Transport and Infrastructure (N King). The following was noted:

- a. *Staff will work with the CAS tools available to present regional crash data visually. This will include per capita values to enable comparison with other jurisdictions.*
- b. The time at which the report was written, meant that the figure relating to fatalities was out of date. As at 14 June 2021 the fatalities for the region were recorded as 25.
- c. Inspector J Penno would be invited to speak to the Committee regarding future policing operations.
- d. There was heavy traffic through the region. The Waikato was recognized as one of the fatigue points in the roading network.
- e. Last triennium the Committee, through a majority vote had supported a proposal of a consistent speed of 90km on rural roads and wrote to central government to present that view.
- f. The Waikato Region had developed a draft speed management plan, working with Hamilton City Council, Waipā District Council and Waikato District Council. Staff had worked with the Local Authority Shared Service and Waikato Regional Asset Technical Accord to ensure that there is technical expertise available to support territorial authority speed management planning across their districts. The Speed Limit Rule change would impact on this work and was expected to streamline the process of speed setting.
- g. A member noted caution that using Google Maps could send people on to rural roads that may not be suitable for heavy traffic and questioned whether there was a way that the region could work in with technology to prevent unsuitable diversions.
- h. Of the fatalities listed, none mentioned specifically speed, but age did seem to be a factor. It was noted that a refresher option for drivers would be appropriate. That would take account factors that had changed with vehicles and roads since a person was licenced.
- i. If speeds were to be changed on local roads, the cost of signage etc would fall to the territorial authorities with normal Waka Kotahi subsidies.
- j. Members noted the subsidy proposed for electric vehicles could be more appropriately used funding roading and safety improvements.
- k. Distraction was a key factor in many fatalities noted in the report.
- l. From the *Road to Zero* (the government's 10 year *Road Safety Strategy*) for the Waikato, one of the key factors noted was that consistency was important across the region, as it related to road speeds and moving from one district to another.
- m. The issue was that it was a transport system with lots of parts, and most of them moving. To focus on reduction in speed – this would take energy out of the system and lower the consequences of when things went wrong. Looking at wider and recent changes in legislation to address distraction, the members felt that doubling the fines for using cellphones while driving was inadequate.

RTC21/16

Moved by: Mayor A Tanner

Seconded by: Cr R Dow

Resolved (Section A under delegated authority)

That the report *Regional Road Safety Report (Regional Transport Committee 14 June 2021)* be received.

carried

Open Minutes of the Regional Transport Committee 14 June 2021

8. Transport Planning and Projects Report update

Presented by Waikato Regional Council Team Leader Transport and Infrastructure (N King). Refer document #20416330 for the PowerPoint presentation. The following was noted:

- a. Members questioned whether the *New Zealand Rail Plan* provided a new opportunity to include KiwiRail on to the Regional Transport Committee. Members were advised that previously the Committee had submitted to changes in transport planning legislation asking for KiwiRail to be a member, and at that time they did not see the benefit of having a member but would ensure that someone would come along to the Committee meetings when presentations were required.
- b. Members noted that there were two major rail lines running through the region, and with the commencement of the Te Huia service, with proposed improvements, it was important for KiwiRail to be at the table.
- c. A motion was proposed that indicated the importance of sending another letter to the KiwiRail board, to ensure they reconsider appointing to the Committee. Members requested that staff and the Chair address the letter to the KiwiRail board, the Chief Executive and the relevant ministers, highlighting the growing passenger issues and freight connection between rail and road in the region, and restating the Committees preference for Kiwi Rail to be a member of the Committee.
- d. Rail activities were funded through the *National Land Transport Plan*.

RTC21/17

Moved by: Cr K Taylor

Seconded by: Cr T Fox

Resolved (Section A under delegated authority)

That the report *Transport Planning and Projects Report update (Regional Transport Committee 14 June 2021)* be received.

carried

RTC21/18

Moved by: Cr Macpherson

Seconded by: Cr Taylor

Resolved (Section A under delegated authority)

That the Chair of the Waikato Regional Transport Committee write to invite Kiwirail to appoint a member to the Regional Transport Committee.

carried

9. Regional Public Transport Projects update – Te Huia and General update

Presented by Waikato Regional Council Passenger Rail Lead (J Gonzales), Manager Public Transport (A Wilson) and Senior Policy Advisor (V Kuo). Refer document #20416330 for the PowerPoint presentation. The following was noted:

- a. There were two work streams to enable access into the Auckland airport station for the short term. An update would be provided to the Rail Governance Group at the next meeting.

Open Minutes of the Regional Transport Committee 14 June 2021

- b. The tracking information reflected in the report and presentation related to the targets that had been identified in the business case. There was a good rate of growth in terms of public transport use, and the loading factor had been found to be a useful metric.

RTC21/19

Moved by: Cr H Vercoe

Seconded by: Cr P Brodie

Resolved (Section A under delegated authority)

That the report *Regional Public Transport Projects update – Te Huia and General update* (Regional Transport Committee 14 June 2021) be received.

carried

RTC21/20

Moved by: Cr H Vercoe

Seconded by: Cr E Patterson

Resolved (Section A under delegated authority)

That pursuant to Waikato Regional Council Standing Order 4.2 the meeting will continue beyond two hours before an adjournment.

carried

10. Regional Transport Issues forum

Presented by Waikato Regional Council Team Leader Transport and Infrastructure (N King). The following was noted:

- a. Members sought an update to Item 8 – page 47 of the agenda (Issues noted by Hamilton City Council getting bus stops installed on State Highways). Member D Speirs undertook to get an update for members.
- b. Members sought an update to Item 5 – page 45 of the agenda (The Piako Road/SH26 Railway crossing). Member D Speirs undertook to get an update for members.
- c. A member requested that Item 9 – page 47 of the agenda be edited to clarify that safety concerns outside of the school have not been rectified. The status should not be closed.
- d. A member noted concern about the issues that territorial authorities were having with the removal of dumped and burned-out cars. Waka Kotahi NZ Transport Agency are bound by the same legislation as territorial authorities.
- e. The process for Hamilton City was set out in the following extract from the document ([Abandoned Vehicles - Hamilton City Council](#)):
 - i. “These processes begin when the Council investigates the report, not from when the vehicle was originally parked. So if you report a vehicle that has already been in place for several weeks, we are still required to follow the same steps.”
 - ii. “In some cases, such as when the vehicle presents a hazard, it can be moved immediately. Once the Council is notified, a parking officer inspects the vehicle, and may issue an infringement notice and a warning notice that the vehicle may be towed. A further notice of towing may then be issued, before police are notified and the vehicle towed and disposed of. The process can take over two weeks in some circumstances, but is required

Open Minutes of the Regional Transport Committee 14 June 2021

under law.”

- f. In response to a question about Item 4 – page 45 of the agenda (pedestrian barrier state highway 3 south of Ōtorohanga) members were advised that work was not in the current funding round but Waka Kotahi NZ Transport Agency would know by August.

RTC21/21

Moved by: Cr T Fox

Seconded by: Cr P Brodie

Resolved (Section A under delegated authority)

That the report *Regional Transport Issues forum (Regional Transport Committee 14 June 2021)* be received.

carried

11. RTC Submission on the Land Transport Rule: Setting of Speed Limits 2021

Presented by Waikato Regional Council Team Leader Transport and Infrastructure (N King). The following was noted:

- a. In principle the proposal was seen as a good idea, with an opportunity to provide refinement. Staff would work with Regional Advisory Group on the submission and share it with the Committee prior to the Chair signing off the submission.
- b. Members noted concern at submission point 1.32 Speed Limits Around Schools. One member felt it should be 100% complete by 2024. Another agreed that an eight year wait was unacceptable.
- c. With regard to the speed changes and impacts on the territorial authorities a member asked whether it would be Funding Assistance Rate subsidized. Members were advised that this was unclear at this stage of the process.
- d. A member noted that there was interest in some areas to extend the school speed zone to include other facilities like preschools, kindergartens or aged care facilities. Concern was noted that it may not be practical to impose a blanket change, but if that was something that the authorities were looking at it was possible for the authority to change speed zones within their own locality.

RTC21/22

Moved by: Cr H Vercoe

Seconded by: Mayor A Tanner

Resolved (Section A under delegated authority)

1. **That the report *RTC Submission on the Land Transport Rule: Setting of Speed Limits 2021 (Regional Transport Committee 14 June 2021)* be received.**
2. **That subject to incorporating feedback from the Regional Transport Committee and Regional Advisory Group, the draft submission to Waka Kotahi NZ Transport Agency on the draft *Land Transport Rule: Setting of Speed Limits 2021* be endorsed, subject to members comments being included.**

carried

D Speirs abstained from discussion and vote.

12. Endorsement of the Waikato Regional Land Transport Plan 2021-2051

Presented by Waikato Regional Council Team Leader Transport and Infrastructure (N King) and Special Projects Advisor (B McMaster). The following was noted:

- a. Overall the submissions were generally in support of the draft plan with a small number of changes from the strikeout version considered at the Deliberations meeting.
- b. A member noted that Hamilton City Council had submitted to the process and had indicated that there was a need for a greater mode shift. The Plan did not support the City Council's priorities in terms of mode shift. It was noted that the plan comprises those investments proposed by territorial authorities including the City Council.
- c. Members were advised that the Plan was a regional plan and ensured that priorities for the whole region were included. During the deliberations meetings one of the bigger points of discussion was the percentage to be applied to climate change, and the decision was made at that time to increase from the proposed 25% reduction to a 30% reduction.
- d. Members were advised that the points covered in the report highlighted that there had been a lift in the mode shift activities to be second only in priority to the Road to Zero activities.
- e. A member asked whether the Plan adequately responded to climate change given the proposals from central government indicating that Council should be heading in a different direction. The Committee noted that it was generally satisfied that the plan was consistent with government policy direction to the extent possible within the constraints of the process.
- f. Members noted general agreement with the Plan produced to the meeting.
- g. A member noted that they understood the frustration from the metro perspective and noted the fine balance that was needed with a regional plan. It was suggested that the *Regional Public Transport Plan* would go some way to address the regional metro issues. It was further noted that buses and electric vehicles still required roads to drive on.
- h. Members noted that while Council had not been subject to a legal challenge, a legal opinion on the process had been sought and was available for members to view in the meeting. Any discussion on the matter would need to be held in Public Excluded to protect legal privilege. The Chair proposed an adjournment for the opinion to be shared with members.

12.37pm – Meeting adjourned.

13.10pm – Meeting reconvened.

13.10pm – Mayor Tanner left the meeting during the adjournment.

13. Public Excluded

The Chair addressed the meeting and reminded those present that the legal opinion was for the members only and requested that copies be returned to the Democracy Advisor at the end of the meeting. The Chair requested staff and those present who were not members of the meeting, leave. Waikato Regional Councillors Kneebone, MacPherson, Nickel and Tegg noted that section 19(2) of the Local Government Act made provision for them to remain in the meeting. As identified in Standing Orders section 13.1 they do not form part of the public for the purpose of the public excluded part of the meeting.

Resolution to exclude the Public

RTC21/23

Moved by: Cr A Strange

Seconded by: Cr R Dow

Open Minutes of the Regional Transport Committee 14 June 2021

Resolved (Section A under delegated authority)

1. That in accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 (Act) and the interest or interests protected by section 6 or 7 of that Act, the public is excluded from the following parts of this meeting. The general subject of the matters to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds for excluding the public are set out below:

Meeting Item No. and subject	Reason for excluding the public	Grounds for excluding the public
Part item 12 Endorsement of the Waikato Regional Land Transport Plan 2021-2051	To maintain legal professional privilege (section 7(2)(g) of the Act).	Section 48(1)(a)(i) of the Act – the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 6 or 7 of the Act.

The meeting moved to Public Excluded session at 1.12pm.

The meeting returned to open session at 2.04pm.

Decisions made in closed session reported into open:

During the closed session the Committee resolved to move the following decisions into open session.

RTC21/24

Moved by: Cr T Fox

Seconded by: Cr E Patterson

Recommended (section B for recommendation to Council)

1. That the report *Endorsement of the Waikato Regional Land Transport Plan 2021-2051* (Regional Transport Committee 14 June 2021) be received.
2. That the Regional Transport Committee, having considered the relevant matters set out in section 14 of the Land Transport Management Act 2003, confirms that it is satisfied that the *Regional Land Transport Plan* contributes to the purpose of the Act and is consistent with the *Government Policy Statement on Land Transport 2021/22-2030/31*.
3. That the Waikato Regional Transport Committee endorse the final *Waikato Regional Land Transport Plan 2021-2051* on the recommendation of the Regional Land Transport Plan Hearings Committee.
4. That the Waikato Regional Transport Committee lodge the final *Waikato Regional Land Transport Plan 2021- 2051* with Waikato Regional Council for adoption, as required under section 18B of the Land Transport Management Act 2003.

carried

Open Minutes of the Regional Transport Committee 14 June 2021

Cr D Macpherson voted against.

RTC21/25

Moved by: Cr D Macpherson

Seconded by: Cr E Patterson

Resolved (Section A under delegated authority)

That the Committee notes that significant variations to the programme will be required during the current triennium in light of the *Metro Spatial Plan Programme Business Case, Regional Public Transport Plan review and other activities.*

carried

Prior to closing the meeting, the Chair addressed the Committee and noted that after 40 years with Council, the Special Projects Advisor Mr B McMaster would be leaving Council and as such this would be the last meeting for Mr McMaster. Mr McMaster addressed the meeting and provided a summary of highlights from his time with Council.

Meeting closed at 2.05pm.

Mayoral Diary for July 2021

CM No.: 2467601

Rāpopotonga Matua | Executive Summary

The Mayoral Diary for the period 1 – 31 July 2021, is attached to the agenda.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments



[A↓](#). Mayoral Diary July 2021




Ngā waitohu | Signatories

Author(s)	Debbie Burge Executive Assistant to the Mayor & CEO	
Approved by	Ash Tanner Mayor	

Mayoral Diary July 2021

<p>Thursday 1 July</p>	<p>Nga Iwi FM interview Rino and I discussed three waters, again. And the adoption of the LTP.</p> <p>Morrinsville Intermediate production The school invited me to their production titled 'Superstan!'</p> <p>They had a character called "Mayor Doughnut" and I took along the mayoral chains for him to wear to add the authentic touch! He even road a Harley and had tattoos!</p> <p>It was a great show, the kids were amazing, well done Morrinsville Intermediate cast and crew!</p>
<p>Friday 2 July</p>	<p>Matariki celebration Ngāti Hauā Iwi Trust invited council elected members, along with our CEO Don McLeod, to their first Matariki Breakfast in celebration of the Māori New Year. It was a special occasion filled with ceremonies that commemorated a year that was and prepare us for the approaching new year.</p> <p>We were presented with a stunning patu/mere (tuatakihi) in honour of council having the courage to create our maori ward, and the great relationship we are forging.</p> <div style="display: flex; justify-content: space-around;">   </div> <p>Red Cross luncheon Each year the Te Aroha Red Cross holds a soup luncheon and fundraiser for something in the community. This year the funds raised will be put towards a defibrillator for the Four Square supermarket.</p> <p>Te Aroha Spa Governance Group meeting Discussed the trip to Rotorua complexes and the upcoming South Island visit, and what we aim to learn from the other operators</p> <p>Meeting with TA resident Regarding a property issue, and our district plan rules</p>
<p>Monday 6 July</p>	<p>Meeting with CEO Catch up with Don and meeting with council staff.</p>

	<p>Meeting with Matamata resident Regarding one of the halls in our district, and the earthquake requirements for it.</p> <p>Filming with council staff To capture the mayors message with regard to what is happening in Matamata, Headon stadium and swim zone</p>
Tuesday 6 July	<p>Morrinsville site visits I visited a few sites around town, checked out the new toilet going in by the i-site, and the works being done on the footpath and kerb and channel on Thames St</p>
Wednesday 7 July	<p>Council workshop</p>
Thursday 8 July	<p>Nga Iwi FM interview We talked about plastic bag free July, LTP and the burn outs</p> <p>3 waters review Had a bit of trouble connecting to the webinar, but it's being recorded, and sounded like the same old stuff already.</p> <p>Seat unveiling As a celebration of Matariki and a flow on from the planting at Swap Park by Te Rau Aroha Kohanga Reo, a new seat was unveiled in the park. The Te Oranga O Te Hapori (the wellbeing of the community) symbolises unity and the importance of helping and embracing each other as one.</p> <p>I joined the community groups at Swap Park, with council staff Tuatahi Nightingale-Pene our Kaitakawaenga Māori - Iwi Liaison Officer, and Bryan Turner, Community Projects coordinator.</p> <p>Three Waters update for Mayors, Chairs and Chief Executives Fortnightly discussions on three waters reform</p>
Monday 12 July	<p>CEO catch up & meetings with staff Touching base with our CEO Don, and my EA Deb.</p> <p>Introductory three waters transition webinar While we await further announcements from Cabinet, the Joint Central/Local Government Three Waters Steering Committee considers that beginning the transition conversation with councils early, on a no regrets basis, will enable us to work together so that this work may progress smoothly for you and you staff should the reforms proceed.</p> <p>Radio NZ phone interview I spoke with Alex about the recent boy racer incident at Tauhei.</p>
Tuesday 13 July	<p>Bus service launch The bus service connecting Matamata with Morrinsville and Hamilton has been launched. This service is led by Waikato Regional Council in partnership with MPDC and we are thrilled to offer it to the community.</p>

	<p>I am pleased to see the current service extending to Matamata and Waharoa and it will be of great benefit to those without licenses or a mode of transport. So many people are isolated, just due to not being able to travel – so I am really pleased our Council could work with Waikato Regional Council to bring this affordable service across the entire district.</p> <p>Within Matamata, the bus will travel through Hetana Street, Broadway, Smith Street, Station Road, Firth Street, Meura Street, Tainui Street, Tamihana Street, Burwood Road, Rawhiti Ave and then through Waharoa and Morrinsville en route to Hamilton.</p> <p>The bus will use State Highway 26 to Hamilton and travel via Hillcrest and Hamilton East on the way into the central city, terminating at the Hamilton Transport Centre.</p>  <p>Me and my mate Malachai checking out the Matamata route</p>
<p>Wednesday 14 July</p>	<p>Council meeting Items on this month's agenda included: representation review – initial proposal for consultation, LGNZ Remits, Ngāti Rāhiri-Tumutumu access to a Bathhouse, Prioritisation of Toilet Renewals, Solid Waste Working Party – update of meeting of 1 June 2021, Hauraki Gulf Forum Meeting Report of May 2021, Documents executed under Council seal, Motorhome Friendly Town Recognition, Waikato Civil Defence Emergency Management Joint Committee Minutes of 31 May 2021, Mayoral Diary for June 2021.</p> <p>We then went into a workshop with presentations from Future Proof and Kainga Ora.</p>
<p>Thursday 15 to Saturday 17 July</p>	<p>Local Government NZ Conference The annual conference was held in Blenheim where mayors, chairs, chief executives, councillors and senior management from New Zealand's councils, along with key players from the private sector, business, government and non-government agencies were in attendance.</p> <p>As you can imagine, 3 Waters reform was a hot topic of conversation!</p>
<p>Monday 19 July</p>	<p>Waikato Regional Council (WRC) building official opening In May, WRC staff moved into their new building the "Tristram Precinct" located at 160 Ward Street in Hamilton.</p>

	The official opening ceremony took place with a number of dignitaries present, including our Governor General, Dame Patsy Reddy.
Tuesday 20 July	Meeting with Community group I met with representatives of the Te Aroha Community Trust with regards to additional garaging for their community van.
Wednesday 21 July	Meeting with Morrinsville Lions I attended the monthly meeting and had dinner with the Lions group and deputy mayor Neil Goodger was also in attendance. We gave them an update on what was happening in council, and opened the floor for questions. Once again, 3 Waters has the hot topic.
Thursday 22 and Friday 24 July	Zone 2 meeting Hosted in Taupo, 3 Waters reform was again a very topical discussion point. Other areas covered over the two days included: Ensuring Local Governance is at the core of Local Government, International Example of Community Governance in practice, Workshop – The Future for Local Government, A presentation on Māori Governance and the benefits of Māori world view to governance, LGNZ updates, RMA Bill, Community Governance in action – A community-led health initiative, DIA updates regarding 3 Waters Reform and Māori Wards, and Rangatahi presentations from the Tuia programme.
Sunday 25 July	Resident enquiries I was contacted by a resident regarding an on-going problem with regards to a tree on a berm. Our parks and reserves team are following up with this. I also met with a resident who had a variety of concerns around the direction of the current government and the 3 Waters reform.
Monday 26 July	Catch up with CEO I had our weekly catch up with CEO Don McLeod. Filming Coms staff member Anna and I filmed messages for our social media platforms. Blessing and opening of new toilet block The new toilet block situated next to the I-Site in Morrinsville was officially blessed and opened with morning tea shared at the Morrinsville Museum at the conclusion. Morrinsville Grey Power meeting Councillors Goodger, Dewhurst and I attended the monthly Grey Power meeting where we fielded questions on, guess what, 3 Waters reform. Meeting with Matamata resident I met with Ezra to talk about how we could promote the people from our district who are participating in the Olympic games. This is something we would like to look to promote in the future, with more forward planning.

**Tuesday 27
to Friday
30 July**

Spa study tour

Members of the Spa Governance Group spent three days in the South Island visiting Spa facilities to get an understanding of what might work in a similar way in the Te Aroha domain.

The tour was very beneficial and the group came way with a number of learnings which will be reported back to council.

The places visited were Tekapo Springs, Hanmer Springs and Maruia Hot Springs.

