

# Council

## Open Agenda



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

**Date:** Wednesday 11 October 2017  
**Time:** 9:15am  
**Venue:** Council Chambers  
35 Kenrick Street  
TE AROHA

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### Membership

#### Mayor

Jan Barnes, JP

#### Councillors

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

James Sainsbury  
Ash Tanner  
Kevin Tappin  
James Thomas, JP  
Adrienne Wilcock

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**1 Meeting Opening**

**2 Apologies**

At the close of the agenda an apology had been received from Cr J Sainsbury.

**3 Leave of absence**

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

**4 Urgent Additional Business**

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

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

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

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

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

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

**5 Declaration of interest**

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

**6 Confirmation of minutes**

Minutes, as circulated, of the Ordinary Meeting of Matamata-Piako District Council, held on 13 September 2017

**7 Matters Arising**

**8      Announcements**

**9      Notices of Motion**

## Youth Update

Trim No.: 1937087

### Executive Summary

Members of the Volunteer Youth Ambassadors will be in attendance at 9.15 to provide an update on their projects.

### Recommendation

That:

1. The report is received.

### Attachments

There are no attachments for this report.

### Signatories

Author(s)	Ann-Jorun Hunter <b>Policy Planner</b>	
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Approved by	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
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# Council Controlled Organisations Annual Reports 2016/17

Trim No.: 1934020

Item 10.2

## Executive Summary

The Local Government Act 2002 (LGA) provides for specific requirements relating to Council Controlled Organisations (CCO), so that a local authority can monitor their operations and performance.

This report seeks to provide Council with information on the performance of two of its CCOs, Waikato Regional Airport Limited (WRAL) and Waikato Local Authority Shared Services Limited (WLASS). Copies of the WRAL and WLASS Annual Reports have been circulated with this report.

## Recommendation

That:

1. **The information be received.**

## Content

### Background

#### Waikato Regional Airport Limited (WRAL)

WRAL was established in 1989 to operate the airport situated at Rukuhia within the Waipa District. The local authority part-owners negotiated the purchase of the Crown's former shareholding to secure the retention of the airport as a major infrastructural facility, important to the economy of the Waikato.

WRAL replaced the Airport Authority in 1989, which previously ran the airport. In its current LTP Council has identified that the airport is a significant infrastructural asset for the region and important for economic growth and development. The LGA also defines shareholding in an airport as a strategic asset.

WRAL is jointly owned by five local authorities: Hamilton City, Waikato District, Waipa District, Otorohanga District and Matamata-Piako District Councils. Matamata-Piako's shareholding is 15.625%.

The objective of WRAL is to provide and operate a successful, affordable commercial business, providing safe, appropriate and efficient services for the transportation of people and freight. The airport enhances the economic development of the Waikato Region and the retention of the airport as a major infrastructural facility is important to the economy of the Waikato. The specific objectives of the company are agreed each year in accordance with the constitution and the Statement of Intent.

#### Waikato Local Authority Shared Services Limited (WLASS)

Local authorities of the Waikato Region have established WLASS as a CCO by way of a company, in which each local authority in the Waikato Region has a share. Matamata-Piako's shareholding is 8.33%. The remaining shares are owned by Waikato Regional Council, Hamilton City Council, Waikato, Thames-Coromandel, Hauraki, Waipa, Otorohanga, Waitomo, South

Waikato, Taupo and Rotorua District Councils. The directors of WLASS are the Chief Executive Officers of the above Councils.

Council became a shareholder for the purpose of developing shared services across the local authorities in the Waikato region, following public consultation in the 2005/06 Annual Plan.

This company is used as an umbrella for development of shared services throughout the region. There are a number of services provided by local authorities, particularly in respect of information collection and management, where improved services at lower aggregate cost can be achieved by having a number of authorities participate in purchase or development of infrastructure for the service, and ongoing operation of it. The specific objectives of the company are agreed each year in accordance with the constitution and the Statement of Intent.

The primary activities of WLASS include the operation of a Shared Valuation Database Service, the development of a Waikato Regional Transport Model and the Insurance Advisory Group. With three new activities joining WLASS on 1 July 2016; RATA, the Waikato Building Consent Group and Future Proof. Further details on WLASS activities are set out in its Annual Report.

## Issues

### WRAL Performance

WRAL's performances against targets are set out on page 32-37 of their Annual Report. Overall the board of WRAL advised through their report a more favourable financial performance than forecast in the 2016/17 Statement of Intent. Most of the financial and all of the non-financial performance targets were met for the group. WRAL has reported a net deficit after tax of \$305,000 (target: \$366,000 deficit) for the year ended 30 June 2017 (2016: net deficit of \$282,000 – target: \$421,000 deficit).

### WLASS Performance

Cash flow for the year showed an increase in total cash held of \$271,275. The annual report (page 6) states that the company shows positive cash balance of \$352,274. Cash, cash equivalents and overdrafts at the end of June 2016 being \$953,948 (2016: \$682,672).

WLASS has reported a net surplus after tax of \$128,381 for the year ended 30 June 2017 against a budgeted net deficit of \$38,242 (2016: net deficit of \$360,716).

WLASS's performance against targets is set out on pages 5-10 of their Annual Report, with 24 of the total 33 measures being reported as achieved. Noted below are the nine measures not achieved.

- Measures not applicable:
  - The Mayoral Forum is regularly updated on the progress of each work stream.
  - All capital enhancement work is supported by a business case .
  - Strategic advice provided by Aon on the insurance programme structure is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.
  - The day-to-day service provided by Aon is assessed as satisfactory in the annual WLASS Shareholders' survey by the participating councils.
  - Contracts which are due for renewal are tested for competitiveness and either renegotiated or tendered through a competitive process.
- Partially achieved –
  - Payments of all invoices paid by the 20<sup>th</sup> of the month following their receipt.

- Partially achieved - Internal audits completed annually for each Group member.
- Not achieved – Provide Group members with a joint quality assurance system that meets compliance.
- In Progress – A survey of shareholders is undertaken each year, and the results are reported to all shareholders.

## Analysis

### Options considered

Council may either:

- Receive the reports; and/or
- Request further information from the CCOs and their auditors on the content of the reports; and/or
- Provide feedback to the CCOs on their performance.

### Legal and statutory requirements

Section 65 of the Local Government Act 2002 specifies that Council must regularly undertake performance monitoring of that organisation to evaluate its contribution to the achievement of

- the local authority's objectives for the organisation;
- (if applicable) the desired results, as set out in the organisation's statement of intent; and
- the overall aims and outcomes of the local authority.

Council does this through the review of the half and full yearly reports of its CCOs.

### Consistency with the Long Term Plan / Annual Plan

The Long Term Plan identifies WRAL and WLASS as CCOs part owned by Council.

### Impact on Significance and Engagement Policy

This matter is not considered significant.

### Communication, consultation and decision making processes

Any feedback on the performance of the CCOs should be relayed to the boards of these companies.

## Financial Impact

There are no financial implications.

## Attachments

There are no attachments for this report.

## Signatories

Author(s)	Vicky Oosthoek <b>Corporate Strategy Administration Officer</b>	
Approved by	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Manaia Te Wiata <b>Group Manager Business Support</b>	

## Community Grants 2017/18

Trim No.: 1937028

### Executive Summary

Council has a Community Grants Policy to administer the \$30,000 contestable grant. The first of two funding rounds held each year was open between 26 July and 1 September where Council invited applications to the fund. In total 23 applications were received. Councillors determined the outcome of the applications at their respective ward meetings.

The purpose of this report is to provide information on the allocations for the first funding round of 2017/18.

### Recommendation

**That:**

- 1. The report is received.**

### Content

#### Background

Following the disestablishment of the Community Boards, Council adopted the Community Grants Policy (Policy) on 11 June 2014 to guide the administration of the \$15,000 contestable grant.

At its meeting of 26 July 2017, Council adopted the revised policy and approved an increase to the total budget per year to \$30,000, with \$10,000 available for each ward of Matamata, Morrinsville and Te Aroha. The new Policy and budget became effective immediately (2017/18 financial year).

The \$30,000 contestable fund is shared evenly among the wards and is distributed in two funding rounds held in approximately August and February each financial year. The Policy gives delegated authority to the ward Councillors to determine the outcome of applications received that are relevant to their ward. The results of each application are to be reported back to Council.

#### Issues

In total 23 applications were received throughout the district, with one application split across two wards – 9 from Matamata, 5 from Morrinsville and 10 from Te Aroha.

Summary follows of the applications received, and the funding decisions by the respective ward Councillors.

Matamata Ward	Funding towards	Amount requested	Amount granted	Reason for decline
SeniorNet Matamata Incorporated	Two computers, hard drive and printer	2,487.98	800.00	
Matamata College Centenary Organising Committee	Photo restoration and decade wall montage	2,500.00	1,000.00	
Starfish Social Services	Youth friendly space setup	1,425.00	0.00	Received central government funding.
Matamata Budget Advisory Service Inc	Projector, screen and whiteboard	1,400.00	0.00	
Soul Function Trust	Christmas at the Park, venue hire and event costs	1,500.00	750.00	
Matamata Equestrian Group (Matamata Pony Club)	Earth anchors for portable jumps	1,430.00	800.00	
Matamata A&P Association	Spring Carnival Show, entertainment hire	2,127.50	750.00	
Matamata Public Relations Association	Traffic management for Christmas Parade	1,299.50	750.00	
Matamata Geriatric Day Care Centre	Christmas function costs	200.00	200.00	
<b>Total funding requested/allocated</b>		<b>\$14,369.98</b>	<b>\$5,050.00</b>	
<b>Remaining budget for funding round February 2018 - \$4,950.00</b>				

Morrinsville Ward	Funding towards	Amount requested	Amount granted	Reason for decline
Morrinsville Art Gallery Charitable Trust	Arts festival costs 3-5 November	2,500.00	0.00	Already contribute.
Morrinsville Swimming Club	Storage shed for pool lane ropes	1,850.00	0.00	Project should be bulk funds.
Tahuna Community Gardening Group	Establish 5 raised vegetable gardens with cloche	1,714.65	750.00	
No 31 (Morrinsville) Squadron Air Training Corps	Shredder, 2 locator beacons and 2 rain jackets	1,373.20	800.00	
*Sport Waikato (in both MV \$800 and TA \$400)	Swim program startup assistance	800.00	800.00	
<b>Total funding allocated</b>		<b>\$8,237.85</b>	<b>\$2,350.00</b>	
<b>Remaining budget for funding round February 2018 - \$7,650.00</b>				

\*Sport Waikato request is included in both Morrinsville and Te Aroha, amount split as per application details.

Te Aroha Ward	Funding towards	Amount requested	Amount granted	Reason for decline
*Sport Waikato (in both MV \$800 and TA \$400)	Swim program startup assistance	400.00	0.00	Other similar programmes offered in Te Aroha.
Domain Day Committee	Equipment and entertainment hire and setup	2,000.00	400.00	
Te Aroha Show Home Industries	Flower stand upgrade	833.14	0.00	Previous funding given.
Te Aroha AP & H Association	Lighting and security	442.75	0.00	Voluntary group could do this.
Youth Empowerment Service Charitable Trust Te Aroha	Photocopier	500.00	500.00	
Te Aroha Springs Community Trust	Day Camp co-ordinator for permits, health & safety requirements	500.00	500.00	
Te Aroha Business Association	Cruise In-traffic management and various event costs	2,500.00	500.00	
Te Aroha and District New Zealand Riding for the Disabled	Surcingle equipment for therapy sessions on horses	836.85	836.85	
Elstow Playschool	Storage sheds relocation	2,500.00	0.00	Received central government funding.
Our Village Garden - Te Kete o Te Aroha	Rates (have advised they are no longer eligible so withdrawn)	156.99	0.00	Not eligible, withdrawn.
<b>Total funding requested/allocated</b>		<b>\$10,669.73</b>	<b>\$2,736.85</b>	
<b>Remaining budget for funding round February 2018 - \$7,444.24</b>				

\*Sport Waikato request is included in both Morrinsville and Te Aroha, amount split as per application details.

### Communication, consultation and decision making processes

The funding round was advertised in the local papers, on our website and an e-newsletter was sent to the Grants and Funding mailing list. The funding round was open between 26 July and 1 September. Councillors assessed the applications at ward meetings on 27 September. All applicants were contacted within a week of the ward meetings.

## Financial Impact

### ii. Funding Source

The \$15,000 is an operational grant and is included in the Annual Plan 2017/18 budget. The additional \$15,000, approved 26 July 2017, to come from the Reserve Funds.

## Attachments

There are no attachments for this report.

## Signatories

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



## Audit & Risk Committee Update

Trim No.: 1937280

### Executive Summary

10.00am Sir Dryden Spring will be in attendance to give an update from the Audit & Risk committee meeting held on Tuesday 10 October 2017

### Recommendation

That:

1. The information be received.

### Attachments

There are no attachments for this report.

### Signatories

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



## Annual Report 2016/17 and Summary

Trim No.: 1935343

### Executive Summary

The Local Government Act 2002 (LGA) requires Council to adopt its Annual Report and Summary by 31 October each year. Audit New Zealand has completed their audit and we expect to receive an unmodified Audit opinion.

Council's Debenture Trust Deed requires Council to deliver to the Trustees, a completed and signed Reporting Certificate, along with an auditor's assurance report, within four months of the end of the financial year. Audit New Zealand have completed their limited independent assurance engagement in relation to Council's Debenture Trust Deed. We expect the Auditors to provide an independent assurance report with an unqualified conclusion.

Council's Auditor, Ben Halford and Audit and Risk Committee Chair, Sir Dryden Spring, will be in attendance at the Council meeting on 11 October for the adoption of the Annual Report.

This report covers the following items, all of which have been circulated separately:

- a. the Annual Report and Summary 2016/17
- b. the draft Audit Opinions for the Annual Report and Summary 2016/17
- c. the warrant of fitness for the Annual Report and Summary 2016/17
- d. the letter of representation for the Annual Report and Summary 2016/17 and staff review of representations made
- e. the misstatement schedule from the Annual Report final audit
- f. the management report on the Annual Report 2016/17
- g. the Chief Executive's Reporting Certificate for the Debenture Trust Deed
- h. the Auditor's Independent Assurance Report for the Debenture Trust Deed, Audit advise this won't be available until 11 October
- i. the letter of representation for the Debenture Trust Deed and staff review of representations made
- j. the Certificate of Solvency 2016/17

## Recommendation

That:

1. The following documents be received:
  - a. the Annual Report and Summary 2016/17
  - b. the draft Audit Opinions for the Annual Report and Summary 2016/17
  - c. the warrant of fitness for the Annual Report and Summary 2016/17
  - d. the letter of representation for the Annual Report and Summary 2016/17 and staff review of representations made
  - e. the misstatement schedule from the Annual Report final audit
  - f. the management report on the Annual Report
  - g. the Chief Executive's Reporting Certificate for the Debenture Trust Deed
  - h. the Auditor's Independent Assurance Report for the Debenture Trust Deed 2016/17
  - i. the letter of representation for the Debenture Trust Deed 2016/17 and staff review of representations made
  - j. the Certificate of Solvency 2016/17
2. The Warrant of Fitness section 13 to be completed by Elected Members.
3. Council notes that a transfer of \$773,000 from accumulated funds to the Community Purposes Reserve has been made at 30 June 2017 to fund various projects as noted in this report, subject to separate business cases being approved by Council (as appropriate).
4. Council adopt the Annual Report 2016/17 and the Annual Report Summary 2016/17.

## Content

### Background

The LGA requires Council to adopt its Annual Report and Summary by 31 October each year. The Summary must be published within one month of its adoption. The Annual Report and Summary must be audited, and an opinion on the Annual Report and Summary provided to Council and the report's readers.

At the Corporate and Operations Committee meeting on 23 August 2017 Council received a summary of financials and performance measures of the draft Annual Report and Summary 2016/17 that was to be submitted to Council's Auditors. Through the audit process, which took place between 28 August and 15 September 2017, changes have been made to the Annual Report.

### Issues

#### a. Annual Report and Summary 2016/17

#### Financial overview

In our report to Council's Corporate and Operations Committee on 23 August 2017, we reported a draft 1 accounting surplus of \$3,772,000, compared to our budgeted surplus of \$1,138,000.

Following further review by staff and completion of Audit New Zealand's review, the final result is an accounting surplus of \$3,844,000. The following table shows the significant variances to budget as reported previously for draft 1, and then the variances following the changes made for the final result.

	Draft 1	Final
	\$000	\$000
<b>Actual surplus</b>	<b>3,772</b>	<b>3,844</b>
<b>Non-cash variances to budget:</b>		
Revenue recognised in respect of vested assets less than budgeted	193	193
Gain on the value of interest rate swaps at 30 June	(959)	(959)
Net loss on disposal of property, plant and equipment	745	745
Depreciation was higher than budgeted	190	190
KVS stock written off	75	75
<b>Surplus (excluding non-cash items)</b>	<b>4,016</b>	<b>4,088</b>
<b>Cash variances to budget:</b>		
Contributions from the TA Events Centre Trust more than budgeted	(801)	(801)
Increase in development contribution income to budget	(119)	(119)
Increase in metered and tankered water revenue to budget	(436)	(436)
Profit on sale of Mangawhero industrial lot	(271)	(271)*
Additional investment interest received to budget	(144)	(144)*
Increase in net revenue from building and resource consents	(302)	(302)*
Increase in trade waste revenue to budget	(92)	(92)
NZTA subsidy income higher than budgeted	(208)	(318)
Increase in income from refuse and EPH rental	(189)	(189)
Additional income from provision of LIMs	(53)	(53)
Tui Mine funding not budgeted for	(154)	(154)
Rates and rates penalties (not budgeted)	(156)	(156)*
Finance costs were lower than budgeted	(405)	(405)
Economic development, Civil Defence, IT, partnership grants and Regional policy budgets not spent	(329)	(329)*
Plant, asset management, District Plan budgets not spent	(320)	(320)
Higher spends than budgeted for wastewater, waste management, and water	677	677
Higher spends than budgeted for parks and property, KVS private works and salaries	231	231*
Events Centre costs reclassified as operating costs	184	184

Other minor contributing factors	9	47
<b>Budgeted surplus</b>	<b>1,138</b>	<b>1,138</b>

All changes made from draft 1 are outlined in the misstatement schedule. There were no significant changes to the bottom line as a result, other than an additional \$110,000 in NZTA subsidy recognised that was initially missed in the first draft.

One significant change as a result of the audit had an effect below the bottom line only; namely a change in the way we value our shareholding in the Waikato Regional Airport Limited (WRAL). We have previously recognised this investment at cost (\$2.6 million), on the basis that with a shareholding of 15.6% we do not have a significant influence, the Council holds the shares for strategic purposes only, and there is no active market for the sale of these shares. Our auditors agreed that MPDC does not have a significant influence over WRAL.

However the auditors contend that as a result of the increasing portion of WRAL's balance sheet being carried at fair value, that we are now able to reliably measure our investment in WRAL at fair value (based on our share of the net assets of the company). This has resulted in an increase to the value of our investment of \$10.174m in the current year. The increase in value does not affect the bottom line surplus for the year, but is treated in the same way that an increase from a revaluation of fixed assets is treated, increasing the asset value and a valuation reserve in equity.

#### Transfers to reserves

At the Council's Corporate and Operations Committee meeting on 23 August 2017, Council indicated that they would like to earmark a certain amount of the surplus achieved in the 2016/17 financial year to fund the following potential future projects, (keeping in mind that projects would still be subject to business case analysis):

	<b>\$000</b>
Additional grants and mayor's fund approved in July	30
Business planning for Te Aroha office and new business unit	43
Water/wastewater compliance review and investigation	100
Woodland road re-sealing	300
Assessment of Environmental Effect - Mangawhero stream	150
Assessment of Environmental Effect - Waihou River	150
<b>Total</b>	<b>773</b>

\$773,000 has been transferred from accumulated funds to the Community Purposes reserve in the financial statements to reflect the future funding of these projects. The available surpluses available for use are shown in the table on page 3 of this report, de-noted with an asterisk. The rationale for selecting these was that they are surpluses generated from general rate-funded activities or through user fees and charges, as opposed to surpluses generated from targeted rate-funded activities or from development contributions or other income streams where the funds must be used for the purpose for which they were collected.

## Financial Performance Benchmarks

Benchmarks	2016/17
Rates (income) affordability	✓ within limits
Rates (increases) affordability	✓ within limits
Debt affordability	✓ within limits
Balanced budget	✓ benchmark met
Essential services	✓ benchmark met
Debt servicing	✓ benchmark met
Debt control	✓ benchmark met
Operations control	✓ benchmark met

### Non-financial information

Through the audit process, Audit New Zealand required a few minor changes to the non-financial performance measures; only one major change was noted in the Misstatement Schedule. This was to change actual and target information stated in the Roding performance measure 'the changes from previous financial year in the number of fatalities and serious injury crashes on the local road network' as previous calendar year data is confirmed and interim data to be used for 2016/17 comparison.

In 2016/17 we have focused on maintaining our services to support our community while making sure cost increases are affordable. We delivered our extensive range of activities, services and projects to similar levels as detailed in the Long Term Plan 2015-25 and at a similar standard as previous years. Comparisons to both targets and previous year's results are available in the full Annual Report.

There are a total of 71 performance measures targets which Council reports on in the Annual Report. Council achieved its target performance for 46 of these 65% (2015/16: 66%). As noted in the Annual Report Part 3 What we do, 4 performance measures were missed by two percent or less. One performance measure not achieved was not measured in 2016/17 (condition of footpaths).

### Mandatory non-financial performance measures

In 2015 Department of Internal Affairs introduced 19 mandatory non-financial performance measures for the core infrastructure activities (roading, water, wastewater and stormwater). The Annual Report 2016/17 is the second report on performance against these performance measures. We achieved our target for 11 of the 19 mandatory performance measures. One of these was not measured being the condition of footpaths which is measured biennially.

The seven measures that we did not achieve and page reference of the Annual Report are:

Roding, page 81

- *The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.*

Stormwater, page 86

- *The number of flooding events that occur in our district and for each flooding event the number of habitable floors affected.*

- *The number of complaints we receive about the performance of our stormwater system.*

Wastewater, page 89

- *Wastewater system faults.*

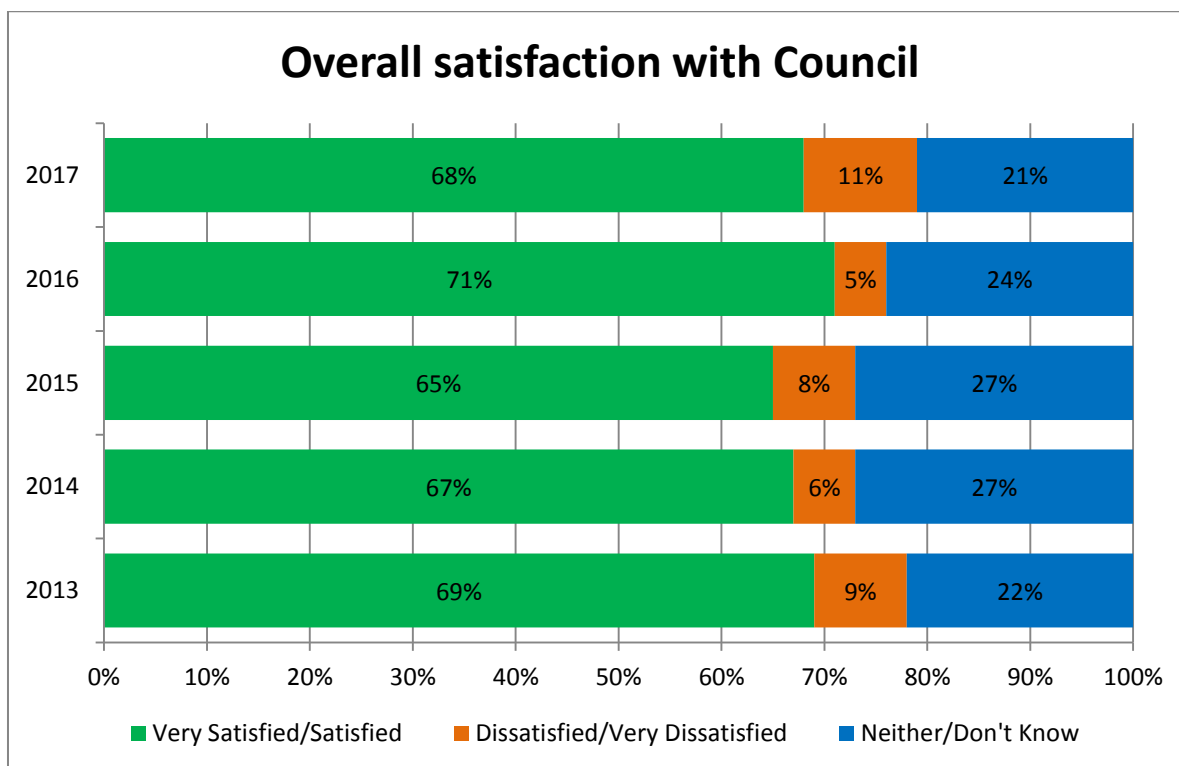
Water, page 92-94

- Compliance with Part 4 and Part 5 of the New Zealand Drinking Water Standard.
- Number of complaints relating to drinking water clarity, pressure/flow.

The annual customer survey

A number of our performance measures are measured through our annual customer survey. This survey was conducted by Versus Research Limited (Versus) in February/March 2017. This survey asks how satisfied respondents are with a number of different services or facilities that Council provides. Respondents are asked to rate their satisfaction on a 5 point scale with 1 being very dissatisfied and 5 being very satisfied.

The overall satisfaction with council services and facilities has remained similar to previous years, with 68% of respondents saying they were very satisfied (14%) or satisfied (54%), compared to 71% in 2016 (15% very satisfied and 56% satisfied). A further 21% said they were neither satisfied nor dissatisfied (2016: 23%). 11% were dissatisfied or very dissatisfied compared with 5% in 2016 and 0% responded don't know (2016: 1%).



**b. Audit Opinions for the Annual Report and Summary 2016/17**

Under the Local Government Act 2002 Council is required to obtain an audit of its Annual Report and Summary. Auditing on the Annual Report and Summary 2016/17 was completed between 28 August and 15 September 2017. Council expects to receive an unmodified opinion; a draft of that opinion will be circulated separately. Council's Auditor, Ben Halford will be in attendance to present the opinion to the Committee and to answer any questions Committee members may have on the process and audit outcome.

**c. Warrant of fitness for the Annual Report and Summary 2016/17**

The warrant of fitness (WOF) is circulated separately to this report. The WOF has proven to be a useful tool for staff to check that significant matters have been considered in the preparation of the Annual Report. It is intended to provide some assurance to the Committee and Council in this regard.

The Warrant of Fitness section 13 is to be completed by Elected Members.



**d. Letter of representation for the Annual Report and Summary 2016/17**

The representation letter, circulated separately sets out the Council's responsibilities under the LGA to report on the Council's financial position and activities; and quality of information presented in the Annual Report and Annual Report Summary.

The letter provides assurances to Audit in relation to the following requirements, which to the best of their knowledge, Council are of the opinion have been met:

- General responsibilities relating to the Councils actions
- Responsibilities for the financial statements and the statement of service performance
- Responsibilities to provide information
- Confirmation that Council is a going concern
- Responsibilities for the information presented in the Annual Report Summary
- Publication of information on our website

To assist the Council in gaining the required assurances that these requirements have been met, staff have provided responses on what steps have been taken to meet the responsibilities outlined. These responses are circulated separately.

**e. Misstatement schedule from the Annual Report final audit**

The schedule of misstatements circulated separately, sets out the errors noted by Audit and by staff in the final audit. Staff will be in attendance to discuss these with Committee members. Council's auditors will also be able to provide their view on the nature of the misstatements. Committee members should note that all misstatements as listed have been corrected.

**f. Management report on the Annual Report**

Management report advised Audit NZ intend issuing an unmodified audit opinion. Two recommendations from Audit NZ were made, management comments sent in response are included in the report, and this will be circulated separately to this report.

**g. Chief Executive's Reporting Certificate for the Debenture Trust Deed**

A requirement of our Debenture Trust Deed is that the Chief Executive furnish the Trustees with a 6 monthly Reporting Certificate, stating whether Council has complied with the requirements and covenants of the Trust Deed.

**h. Auditor's Independent Assurance Report for the Debenture Trust Deed**

As a further requirement of the Trust Deed, our auditors report to the Trustees as to whether, during the course of performing the Annual Report audit, they have become aware of any matters that would effectively contravene what the Chief Executive has reported to the Trustees through the Reporting Certificate.

Council has complied with all requirements of the Trust Deed for the year ended 30 June 2017, and expect our Auditors will provide an independent assurance report to our Trustees with an unqualified conclusion. Audit have advised this won't be available until 11 October.

**i. Letter of representation for the Debenture Trust Deed**

The representation letter (circulated separately) related to the Debenture Trust Deed sets out the Council's responsibilities under the engagement. To assist the Council in gaining the required assurances that these requirements have been met, staff have provided responses on what steps have been taken to meet the responsibilities outlined. These responses are circulated separately.

**j. Certificate of Solvency**

A Certificate of Solvency has been circulated separately. This provides additional assurance on the Council's financial state of health.

## Analysis

### Options considered

The Committee has the option of providing feedback to Council.

### Analysis of preferred option

It is recommended that Council adopts the Annual Report and Summary.

### Legal and statutory requirements

Under Section 98 of the LGA, Council is required to prepare an Annual Report and Summary at the close of each financial year.

### Impact on policy and bylaws

There are no policy or bylaw issues.

### Consistency with the Long Term Plan / Annual Plan

The Annual Report measures our performance against the Long Term Plan 2015-25.

### Impact on Significance and Engagement Policy

This issue is not considered significant in terms of Council's Significance and Engagement Policy.

### Communication, consultation and decision making processes

The 2016/17 Annual Report Summary in the form of a Calendar will be circulated to the public as an insert in the Matamata Chronicle and Piako Post newspapers on 1 November 2017. The Annual Report and Summary will be available on Council's website and in Council's Offices and Libraries following adoption. E-newsletters will also be sent to those who have indicated an interest in the Annual Report and Summary.

### Timeframes

The Annual Report process has been completed within statutory timeframes.

### Contribution to Community Outcomes

The Annual Report measures achievements and progress against the community outcomes.

## Financial Impact

### i. Cost

The production of the Annual Report and Summary has a budget of \$15,000 (staff time and circulation of the Summary). Annual Report audit fees have a budget of \$120,000.

### ii. Funding Source

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

## Attachments

There are no attachments for this report.

## Signatories

Author(s)	Larnia Weir	
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	<b>Deputy Finance Manager</b>	
	Vicky Oosthoek <b>Corporate Strategy Administration Officer</b>	

Approved by	Manaia Te Wiata <b>Group Manager Business Support</b>	
	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Don McLeod <b>Chief Executive Officer</b>	



# Legislative Compliance Framework

Trim No.: 1937020

## Executive Summary

The Audit and Risk Committee requested that staff develop a legislative compliance 'warrant of fitness' (WOF) for its review on an annual basis. A draft WOF was reported to the Committees February 2017 meeting for discussion, the Committee resolved that the framework should be adopted and completed annually by staff alongside the Annual Report.

The finalised legislative compliance WOF has been circulated separately.

## Recommendation

That:

1. That the information be received; and
2. That the Council provide comment on the legislative compliance warrant of fitness.

## Content

### Background

The Audit and Risk Committee requested that staff develop a legislative compliance 'warrant of fitness' (WOF) for review on an annual basis. A draft WOF was reported to the Committees February meeting for discussion, the Committee resolved that the framework should be adopted and completed annually by staff alongside the Annual Report.

The finalised legislative compliance WOF has been circulated separately.

### Issues

#### What is the legislative compliance framework?

The Council's legislative compliance framework describes how the Council ensures its activities are undertaken within the law. In line with other Council frameworks (e.g. Delegations, Risk Management and Procurement) managers (Legislation Owners) have been assigned responsibilities to ensure Council compliance with relevant New Zealand legislation and associated regulations.

#### Why do we need a legislative compliance framework?

The Council could face severe penalties for failing to comply with legislation. Consequences can include:

- loss of reputation
- loss of accreditation
- civil and criminal proceedings
- investigation and censure from monitoring bodies
- breaches of banking and other key covenants

What is a Legislation Owner?

A 'Legislation Owner':

- is usually a member of the Management Team
- is accountable for ensuring that requirements under legislation are met
- reviews changes to legislation and informs staff of any impact of these changes
- is responsible for reporting to Executive Team on an annual basis or when a serious breach is identified
- is someone who ensures that, on a day to day basis, compliance is achieved and has processes in place that enables regular monitoring to occur by, for example,
- providing access to training for key staff
- ensuring that inspections have been conducted and situations assessed as appropriate
- reports of instances of breaches including the outcomes of any such instance, what steps have been taken to prevent further breaches, and where there are on-going compliance issues

The WOF sets out:

- The key Acts and other legal obligations or requirements
- The general elements which have a duty or compliance requirement
- The member of staff responsible for each element
- Any reporting requirements, general comments by reporting staff as relevant

For reporting on compliance, legislation has been grouped per the major functions of the Council. The reference to any Statute includes all relevant amendments.

Every effort has been made to identify the legislation which staff and others are likely to encounter in the normal course of their employment. It is imperative to note the requirements that the Council, its staff, agents and contractors must comply with all New Zealand statute law and common law obligations. The list of statutes and other obligations are set out in this Legislative Compliance policy cannot hope to be exhaustive. If staff and others learn of legislation (including new statutes or regulations) or relevance to their roles within the Council, such legislation should be referred to the Legal Officer, for review and possible inclusion in this document.

The completion of the exercise this year has highlighted some technical gaps in the delegations to staff. These are outlines in a separate report to Council.

### Attachments

There are no attachments for this report.

### Signatories

Author(s)	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
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Approved by	Manaia Te Wiata <b>Group Manager Business Support</b>	
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## Delegations - Various Acts

Trim No.: 1937081

### Executive Summary

Under Clause 32(1) of Schedule 7 of the Local Government Act 2002, Council may delegate its statutory powers and functions. As part of a legislative review it is necessary to review and update Council's existing delegations relating to Council's powers under the various pieces of legislation.

### Recommendation

That:

1. Council adopts the amended delegations as set out in the attached delegation document;
2. all previous delegations be revoked; and
3. where any currently adopted delegations to Council staff refer to a position title and the name of the position title has subsequently changed without substantial changes being made to the position holder's job description (in respect of the function to which the delegation relates), that any current delegations in the name of the previous position title are and shall be effective for the position holder of the new position title.

### Content

#### Background

##### Delegations/Warrants of Appointment

A document of proposed delegations are in the updated delegations policy which has been circulated separately.

Additions have been underlined in red, and deletions have been ~~struck through in red~~.

It is recommended that where:

- (a) any currently adopted delegations to Council staff refer to a position title; and
- (b) the name of the position title has subsequently changed without substantial changes being made to the position holder's job description (in respect of the function to which the delegation relates); then

any current delegations in the name of the previous position title are and shall be effective for the position holder of the new position title.

#### Issues

Statutory Delegations

The following reasons have been identified for the amended delegations:

- 1) Resource Management Act 1991  
Amendments are proposed to include lower tier staff in delegation to approve deemed permitted activity certificates under sections 87BA and BB – the recent amendments to the Resource Management Act 1991. Delegations to the hearings commission are deleted to avoid confusion as these are repeated elsewhere.
- 2) Reserves Act 1977: Ministerial Delegations  
Amendment to a job title is noted. No other changes are proposed.
- 3) Sale and Supply of Alcohol Act 2012 inclusive of CEO Delegations  
Delegations to include lower tier staff have been proposed as these are administrative tasks.
- 4) Trespass Act 1980  
Amendment to a job title is noted. No other changes are proposed.
- 5) Privacy Act 1993  
Updated delegations are proposed following the legislative compliance review.
- 6) Residential Tenancies Act 1986  
Updated delegations are proposed following the legislative compliance review.
- 7) Public Records Act 2005  
Updated delegations are proposed following the legislative compliance review.
- 8) Airport Authorities Act 1966  
Updated delegations are proposed following the legislative compliance review.
- 9) Public Works Act 1981  
Updated delegations are proposed following the legislative compliance review.
- 10) Hearings Commission delegations - Amendments are proposed to clarify other instances in which independent hearings commissioners may be appointed.

## Analysis

### Legal and statutory requirements

Section 48 of the Local Government Act 2002 provides that delegations must be carried out in accordance with Part 1 of Schedule 7 to that Act. Clause 32(1) of Part 1 to Schedule 7 of the Local Government Act 2002 provides that, for the purposes of efficiency and effectiveness in conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, or member or officer of the local authority of its responsibilities, duties, or powers excepting the powers specified under paragraphs (a)-(f) of that sub-clause. None of the powers proposed to be delegated in the delegation document are powers that come within these exceptions and therefore these delegations comply with Section 48 of the Local Government Act 2002.

### Impact on policy and bylaws

There is no impact on policy and bylaws. These delegations provide the framework within which Council may exercise its powers under the Act in accordance with its Class 4 Gambling Policy.

### Impact on significance policy

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

## Attachments

There are no attachments for this report.

## Signatories

Author(s)	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
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Approved by	Manaia Te Wiata <b>Group Manager Business Support</b>	
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# Matamata Public Relations Association Presentation

Trim No.: 1931759

## Executive Summary

11.30am Sue Whiting (Matamata Public Relations Association) will be in attendance to give a proposal regarding the outcomes that the Matamata Public Relations Association and Council wish to achieve over the next three years and the level of funding that might sit alongside this.

## Recommendation

That:

1. The information be received.
2. The Council consider any funding request from the Morrinsville Chamber of Commerce as part of its wider deliberations following its hearing on grants on 18 October 2017.

## Content

### Background

Council has requested as part of its review of Economic Development in preparation for the draft Long Term Plan 18-28 that the Matamata Public Relations Association is invited to Council to discuss its need for funding.

### Issues

Council currently provides \$50,000 per financial year to the Matamata Public Relations Association, this is following a submission to the Council's 2015/16 Long Term Plan, prior to this the Council has consistently supported the Matamata Public Relations Association with funding contributions.

Council has previously contributed to the construction of the Gatehouse in Matamata, including grants and a loan.

A copy of the current service level agreement with the Matamata Public Relations Association is attached to this report for Council's information.

## Analysis

### Options considered

Council has the following options for its draft Long Term Plan:

- Decline to offer further funding
- Reduce the amount of funding
- Increase the amount of funding
- Maintain the current level of funding

### Analysis of preferred option

There are no preferred options – Council is considering the level of funding it should include in its draft budgets for consultation with the community in 2018 on its draft Long Term Plan.

### Impact on policy and bylaws

There are no Policy of Bylaw impacts.

### Consistency with the Long Term Plan / Annual Plan

Decisions regarding funding will be incorporated in to budgets for the draft Long Term Plan.

### Impact on Significance and Engagement Policy

This matter is no considered significant – Council will also consult on the draft Long term Plan with the wider community in 2018.

### Timeframes

Council is expected to make final decisions on its draft budgets in December 2017, with auditing of the Long Term Plan in early 2018 and consultation on the Long Term Plan in March/April/May 2018.

### Attachments

A. Matamata PRA SLA

### Signatories

Author(s)	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
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Approved by	Manaia Te Wiata <b>Group Manager Business Support</b>	
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## **Service Level Agreement**

**Between**

**Matamata-Piako District Council**

**And**

**Matamata Public Relations Association Incorporated**







### **Headings**

Section, clause and other headings are for ease of reference only and do not form any part of the context or affect the interpretation of this SLA;

### **Joint and Several Obligations**

Where two or more Parties are bound by a provision or derive a benefit from a provision in this , that provision will bind and/or benefit those Parties jointly and each of them severally.

### **Negative Obligations**

Any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done.

### **Persons**

References to persons include references to individuals, companies, corporations, partnerships, firms, joint ventures, associations, trusts, organisations, governmental or other regulatory bodies or authorities or other entities, in each case whether or not having separate legal personality.

### **Plural and Singular**

Singular words include the plural and vice versa.

### **Sections and Clauses**

References to sections and clauses are references to sections and clauses in this SLA.

### **Statutes**

References to Statutes include references to regulations, orders, rules or notices made under that statute and references to a statute or regulation include references to all amendments to that statute or regulation, whether by subsequent statute or otherwise.

## **3. Good faith**

The Parties acknowledge that this SLA provides a framework for the relationship between the Council and the MMPRA. The Parties agree to do all other things and matters which are reasonably necessary to fulfil the objectives expressed in this SLA and to generally exercise good faith in their dealings with each other and in pursuance of the objectives of this SLA.

## **4. Term of and alteration to the SLA**

- 4.1 This SLA MOU shall be dated by the last Party to sign and the SLA shall become effective from that date.
- 4.2 This SLA shall be for a term of three years (Term) from 1 July 2015 to 30 June 2018 and may be renewed after the Term by the Parties.
- 4.3 This SLA may only be altered with the written consent of the Parties.

## **5. Purpose of local government and SLA objectives**

- 5.1 The purpose of local government under section 10 of the Local Government Act 2002 is to enable democratic local decision-making and action by, and on behalf of, communities; and to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a

way that is most cost-effective for households and businesses. Under the Local Government Act 2002, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are efficient, effective and appropriate to present and anticipated future circumstances.

5.2 The objectives of this SLA are to:

Confirm that in the opinion of Council the provision of the Grants to the MMPRA meets the purpose of local government as defined in the Local Government Act 2002, specifically that

the services provided by the MMPRA are local public services intended to meet the current and future needs of the Matamata community; and

the manner in which the services are provided and supported by the Council are efficient, effective and appropriate to present and anticipated future circumstances.

Establish a framework for provision of the Grants to the MMPRA.

**6. Operating grant**

6.1 Council shall provide the Operating Grant for the Project to the MMPRA on the following conditions:

6.1.1 The provision by the MMPRA of two valid invoices for the payment of the Operating Grant in July and February for \$25,000 (ex GST) each;

6.1.2 The provision of a full year report from the MMPRA to Council detailing the activities and financial position of the MMPRA within two months of 30 June of the relevant financial year.

6.1.3 The application of the Operating Grant by MMPRA to the continuation of the activities set out in schedule of services as set out in Schedule 2 of this Agreement.

6.1.4 The schedule of services set out in Schedule 1 may be reviewed from time to time by the Parties, any changes to the Schedule are to be agreed in writing by the Parties.

**7. Building occupation, maintenance and renewal**

7.1 The MMPRA occupies the Building on a rent-free basis, and must throughout the Term and any term thereafter of this SLA:

7.1.1 Interior fittings: maintain the MMPRA 's fittings in good repair;

7.1.2 Exterior cladding: maintain the Building's specialised 'Gatehouse' exterior cladding in good repair;

7.1.3 Keep Building Clean: keep the Building clean and tidy;

7.1.3 Pay outgoings: pay any Local Authority Rates, and utility charges

7.1.4 Consent: Obtain Council's consent as the Building owner and any necessary consents required under legislation prior to carrying out any alterations to the Building

7.2 Interior maintenance: The Council and the MMPRA shall agree on a renewal profile for the interior of the Building for the Term and if renewed each Term thereafter. The renewal profile shall set out the agreed standard of maintenance for the Building and the budget available to undertake any required work.

7.3 Exterior maintenance: The Council and the MMPRA shall agree on a renewal profile for the exterior maintenance (excluding the specialised Gatehouse cladding) of the Building for the Term and if renewed each Term thereafter. The renewal profile shall

set out the agreed standard of exterior work for the Building and the estimated timing and budget to undertake any required work.

- 7.4 Confirmation of works required: Notwithstanding the requirements for renewal profiles in clauses 7.2 and 7.3 prior to undertaking any interior or exterior maintenance the parties shall undertake investigations to confirm that maintenance works are required and agree a suitable time for works to be undertaken.

## 8. Insurance

MMPRA Insurance: The MMPRA must at all times during the Term and any term thereafter of this SLA:

- 8.1.1 MMPRA 's Improvements: insure and keep the MMPRA 's fittings insured to their full insurable value and pay the premium for the insurance taken out under clause 8 when due.
- 8.1.2 Public Risk Insurance: keep current a public risk insurance policy applicable to the Building and the business carried on, in, or from the Building for \$2,000,000 (being the amount which may be paid out arising from any single accident or event); or any increased amount that the Council reasonably requires.

Council Insurance: The Council shall at all times during the Term and any term thereafter of this SLA insure and keep the Building insured to its full insurable value and pay the premium for the insurance taken out under clause 8.3 when due.

- 8.4 Specialised 'Gatehouse' cladding: The MMPRA shall pay to Council within one month of receiving a valid tax invoice, any additional costs to Council to insure the specialised Gatehouse cladding on the Building.

## 9. Continuation of funding

- 9.1 The Parties acknowledge that the Operational Grant provided to the MMPRA is for the 2015/16 Financial Year and that while Council has indicated that it has allocated a further \$50,000 in its Long Term Plan 2015-25, that this is subject to confirmation by Council through its Annual Plan process for 2016/17 and 2017/18.
- 9.2 MMPRA agrees that it will submit a submission to the Council through each of the Annual Plan processes relevant to the Term of this SLA in support of the continuation of the Operational Grant.

## 10. Obligations as a statutory authority

Nothing in this SLA shall affect, limit or otherwise fetter the Council's public law obligations under any Statute, including but not limited to any obligations as a territorial, local, consent or requiring authority.

## 11. Requests for information

The Parties acknowledge that the Council is subject to the Local Government Official Information and Meetings Act 1987 (LGOIMA). The Parties further acknowledge and agree that the information contained in this SLA and other information held by them in relation to this SLA is official information under LGOIMA and may be released to the public upon request unless there is good reason in terms of LGOIMA, to withhold the information.

## 12. Publicity

All media releases related to this SLA and intended to be released by a Party will be forwarded to the remaining Parties in a manner and at a time reasonably sufficient for the other parties to prepare a response in advance of the planned release.

## 13. Dispute resolution

13.1 In the event of any dispute, difference or question arising between the Parties about:

- 13.1.1 the interpretation of this agreement; or
- 13.1.2 anything contained in or arising out of this agreement;

then the Parties shall first promote a harmonious problem solving environment supporting a consultative and non-adversarial approach to their differences. When one Party approaches the other with a dispute the other Parties undertakes to give the matter prompt attention and to use best endeavours to resolve the problem.

### 13.2 Mediation

If agreement cannot be reached within 20 working days of a dispute arising, a mediator shall assist the Parties to reach agreement. The mediator shall be a barrister and solicitor agreed upon by the Parties, being one experienced and skilled in professional mediation. If the Parties cannot agree upon a mediator within 10 working days, either party may have a mediator appointed by the President for the time being of the New Zealand Law Society (or his or her nominee).

### 13.3 Arbitrator

In the event that agreement cannot be reached through mediation within 30 working days of appointment of the mediator, the dispute may be referred to a single arbitrator by either Party. The Parties must try to agree on the arbitrator. If they cannot agree, the President for the time being of the New Zealand Law Society (or his or her nominee) will, on either Party's application, nominate the arbitrator.

### 13.4 Costs

The Parties agree that each Party will bear their own costs in respect of any mediation and shall equally share in the costs of the mediator. The arbitrator shall determine all costs in respect of any arbitration.

### 13.5 Action at Law

The Parties must mediate and go to arbitration under this clause before they can begin any action at law (other than an application for injunctive relief).

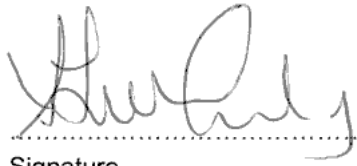
## 14. Notice

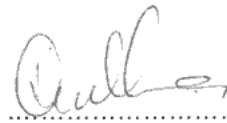
Notices under this SLA must be in writing, addressed to the Chief Executive Officer of Council or the Secretary of the MMPRA and signed by the Party sending the notice. Notices may be served personally, by ordinary post, courier, facsimile, or scanned and sent electronically via email.

Signed by  
Matamata-Piako District Council

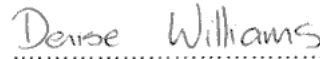
  
.....  
) Chief Executive officer

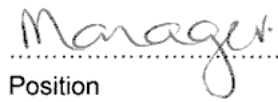
Signed by )  
Matamata Public Relations )  
Association Incorporated )

  
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Position

  
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Position



### Schedule 1 – Schedule of Services

- a) Visitor Information Network Membership Standards
- i. The Matamata i-SITE must retain membership of the New Zealand Visitor Information Network (VIN Inc) and adhere to the standards set by the membership criteria.
  - ii. The annual membership fee will be at the cost of the Matamata Public Relations Association.
  - iii. The Matamata i-SITE agrees to the annual VIN Inc audit and carries out any recommendations or improvement that may be required.
  - iv. The Matamata i-SITE agrees to submit their financial statement for the annual VIN Inc audit.
- b) Opening Hours
- i. Monday to Friday 9am – 5pm
  - ii. Weekends 9am – 3pm 20th May – 20th August  
9am - 4pm 21st August – 19th May
  - iii. Closed Christmas Day
- c) Staff Training
- i. All staff to be trained in line with VIN Inc standards.
  - ii. All i-SITE staff to be fully conversant with all district tourism products e.g. accommodation providers, activities and MPDC owned properties e.g. Firth Tower Museum
  - iii. All i-SITE staff to complete an annual familiarisation of all district product by 30 May each year.
- d) Website
- Produce and maintain the matamatanz.co.nz website. Website to include an Events and Facebook page. Information to be updated on a regular basis
- e) Local information
- Street Map
- i. Provide visitors with a detailed and up-to-date street map
  - ii. Produce the Matamata, Morrinsville and Te Aroha regional Visitor Guide (when required) in conjunction with Morrinsville and Te Aroha i-SITE Visitor Centres.
- Clubs and Community Listings
- i. Maintain a list of local groups and organisations
- f) Additional services
- Community wellbeing.
- i. Produce and fund the annual Matamata Christmas Parade
  - ii. Maintain the \$100,000 CBD security camera system
  - iii. Maintain the uplighting system of the Broadway clock tower
  - iv. Maintain the Broadway Information Boards
  - v. Employ a CBD street cleaner for 8 hours a fortnight.
- Support local groups and organisations
- i. Provide support for the annual Matamata Sculpture Symposium

- ii. Work with the Festival of Flowers committee to maximize attendance (every three years)
- iii. Manage the Matamata Business Associations creating activities and promotions.
- iv. Provide support to the Firth Tower Museum Reserve committee.





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## Waste Reduction - Long-Term Plan 2018-28

Trim No.: 1904606

Item 10.9

### Executive Summary

Council has completed a community consultation process called '*Love your district reduce your waste*' which sought feedback on ten initiatives to reduce waste going to landfill. Council now needs to make decisions on the initiatives it wishes to progress.

The initial results and analysis has been previously discussed with Council and this report formally presents the feedback from the Community and seeks decisions from Council in response to the feedback. 87 survey responses were received during the feedback period.

The full record of all survey responses has been previously circulated to Councillors.

Council now needs to confirm what decisions it wishes to make in response to the consultation feedback. These decisions will assist in the preparation of the Long-Term Plan 2018-28 (LTP).

## Recommendation

That:

1. The information be received.
2. Council gives consideration to the feedback received.
3. Council staff engage an external consultant to work with community groups to undertake a viability assessment for a resource recovery centre in the district with a budget of up to \$10,000 (utilising Funds received through Waste Minimisation Levy).
4. Council staff explore and develop a business case for joint waste minimisation position within the Eastern Waikato shared services area to develop and implement waste minimisation programme with a budget of up to \$15,000 (utilising Funds received through Waste Minimisation Levy) and report back to Council.
5. Council staff develop scope for a report on what other rural councils within New Zealand have developed to provide rural recycling services to rural community with a budget of up to \$30,000 (utilising Funds received through Waste Minimisation Levy).
6. The draft Revenue and Funding Policy be amended to remove the cost of rubbish bags being included in the Solid Waste Targeted Rate.
7. The fees payable at the transfer stations be increased to recover more of the actual cost of waste disposal from this service.
8. Council to confirm:
  - When the change to the rubbish bag distribution/rating system would apply;
  - The expiry timeframe on the use of existing rubbish bags (if any).
  - The cost to purchase rubbish bags.
  - The value of the Solid Waste Targeted rate subject to confirmation through the Long-Term Plan process.
9. Council endorses the communications plan attached to the report.

## Content

### Background

#### Right Debate

As part of the preparation of the LTP council encourages early engagement with the community. The 'Right Debate' is an internal name for the pre-consultation process for the LTP. There are no requirements under the Local Government Act 2002 for Council to undertake a right debate however it is best practice to do so. The 'Right Debate' allows Council to gain feedback from the community on significant issues, contributing to the strategic direction of Council in the earlier planning stages of the LTP.

Managing the 'Right Debate' involves an early identification of the issues that are likely to be most critical to the community and ensuring they become the focus of the remainder of the process. This requires Council to assess what the important issues are, what options are available and what the implications associated with these issues are. Staff have worked with Council to identify the issues which could form the right debate over the past few months.

#### Love your district reduce your waste

Council confirmed the first topic for the 'Right Debate': *Love your district, reduce your waste*

This year's rubbish bags were distributed between 6 and 17 June 2017. This was identified as an opportune time to advertise the 'Right Debate' and generate a discussion with the community on waste minimisation following the recent adoption of the Joint Waste Management and Minimisation Plan (WMMP). A flyer was handed to each person who collected their allocation of rubbish bags from the Council offices.

A consultation flyer titled '*Love your district reduce your waste*' was approved by Council at its meeting on 14 June 2017. The Flyer and Submission form is attached to this report. Submissions could be made either online or in hard copy form, between 6 June and 2 July 2017. The consultation was promoted on the council website, Facebook page and through newspaper advertisement.

The initial results and analysis has been previously discussed with Council and this report formally presents the feedback from the Community. 87 survey responses were received during the feedback period. The results can assist in the preparation of the Long-Term Plan 2018-28.

The initial results and analysis has been previously discussed with Council and this report formally presents the feedback from the Community and seeks decisions from Council in response to the feedback. 87 survey responses were received during the feedback period. The full record of all survey responses has been previously circulated to Councillors. The results and Council direction will assist in the preparation of the Long-Term Plan 2018-28.

### Issues

Council sought community feedback on a suite of 10 initiatives, which are set out below to gauge whether the community supports them, and if so, what they think our priorities should be. The options given were as follows:

1. Encouraging the development of a resource recycling centre in conjunction with community groups.
2. Creating a waste minimisation grant to support practical on-the-ground waste minimisation projects.
3. Giving more visibility to waste minimisation initiatives such as Para Kore and the 'Love Food, Hate Waste' campaign.
4. Changing to a rubbish bag system that gives people an incentive to reduce their waste.
5. Exploring the possibility of changing to wheelie bins for waste collection in the future - if it can help us reduce waste.
6. Revisiting the viability of recycling services into rural areas.
7. Increasing our support of educational programmes in our community.
8. Providing advice to local businesses and community groups to encourage sustainability initiatives.
9. Reviewing how our transfer stations are laid out
10. Aiming for a zero-waste target in 2045, this would mean looking at more initiatives in the future to achieve this target.

We receive around \$112,000 each year from the central government waste minimisation fund, which needs to be used for waste minimisation initiatives. However, depending on what initiatives Council wishes to pursue Council may need to fund more each year from the solid waste rate to make an impact on waste reduction, which is potentially between \$50,000 and \$100,000 per year.

### Community feedback

Some general observations on the responses:

- The majority of the responses (60) were via postal method with online responses used by 27 people.

- Breaking down the location of respondents by Ward shows that 24 were from Matamata, 33 from Morrinsville and 18 from the Te Aroha Ward. 12 respondents did not state their location.
- Analysing submissions by age group shows the majority of feedback came from those in the 66+ age group (46 responses) with 24 responses from those under 25 to 65 age groups. 17 respondents did not state their age group range.
- The majority of feedback (49) was received from urban residents with 11 from rural residents. 27 people did not state whether they lived in the urban towns or rurally.
- 35 respondents were ratepayers, with 30 being non-ratepayers. 22 people did not indicate either way on their submission.

Graphs showing the survey responses are attached to this report.

## Analysis

### Options considered

Council had workshop on Wednesday 12 July 2017 to discuss the results from this consultation process. Council provided the following direction around the initiatives/actions it wished to pursue:

#### 1. Initiate soft plastic recycling at suitable locations i.e. supermarkets.

The Love NZ Soft Plastic Recycling Programme is a voluntary, industry-led initiative and a product stewardship model where everyone involved in the life cycle of a product — manufacturers, distributors and consumers — choose to share responsibility for the best end-of-life outcome.

The Packaging Forum has teamed with New World, PakNSave, The Warehouse, Countdown and other well-known brands to introduce Love NZ's Soft Plastic Recycling Programme — an innovative recycling programme that diverts soft plastic packaging and bags from landfill and turns them into new products. The programme is run by REDCycle. The programme takes all soft plastic bags including bread bags, frozen food bags, toilet paper packaging, confectionery and biscuit wrap, chip bags, pasta and rice bags, courier envelopes, shopping bags and sanitary hygiene packaging.

People collect the soft plastics which they use at home, make sure the bags are empty and dry and drop them into the Love NZ Soft Plastics Recycling bins at participating stores (such as supermarkets). This recycling service is funded by a grant from the Government's Waste Minimisation Fund matched by industry contributions.

Since the Council workshop, staff have followed up with the Programme Manager who has advised they are currently at capacity with the funding they have been allocated and they are concentrating on rolling out the programme to areas with high population density first, they have two regions they still have to roll this out early next year. At this time their programme is full.

Council staff have made contact with the following retailers to see if they are involved in the programme, and the responses are as follows:

- Countdown Morrinsville - NO
- Countdown Matamata – Getting into the programme, unsure sure when it's arriving
- New world Morrinsville - NO
- Warehouse Morrinsville – NO
- Warehouse Matamata – NO

It is noted that Matamata New World who have joined the programme on their own initiative – they arrange for the soft plastics to get to a pick up point in Cambridge. It is suggested Council staff get

in touch with the Love NZ Soft Plastic Recycling Programme co-ordinator in 2018 to see where they are placed as they currently can't take any more sites on board.

### 2. Community recycling network

Engage an external consultant with community recycling network experience to work with Transition Matamata and any other community group with interest in resource recovery. Transition Matamata have expressed an interest in developing a refuse recovery centre similar to the Thames Seagull Centre within the Matamata-Piako District. Councillors indicated the goal of this project is that interested community group have a focused and experienced person that can undertake a viability assessment as a precursor to the development of business plan. This would help give clarity to what requirements are to have longevity in the space of resource recovery. The estimated cost for this is \$10,000.

### 3. Waste Management/Reduction Position

Explore and develop a business case for joint waste minimisation position within the Eastern Waikato shared services area (Matamata-Piako, Thames-Coromandel and Hauraki District Councils) to develop and implement waste minimisation programme utilising funds received through Waste Minimisation Levy (\$112,000 last financial year). Depending on interest from the other Councils this could be a joint role or solely for Matamata-Piako. At the workshop Councillors indicated the focus of this role should be on community engagement and interest in waste minimisation with knowledge of initiatives that have been successful in diverting waste both in NZ and overseas. The estimated cost for this is \$15,000.

### 4. Rural recycling

Develop scope for a report on what other rural councils within New Zealand have developed to provide recycling services to rural community- this should include barriers to participation, what methodology has worked well and what has failed and any lessons and improvements made to service. This should include regional and sub-regional arrangements. Council staff will prepare a scoping document and aim to have the consultant engaged before Christmas 2017 and report due early 2018. The estimated cost for this is \$30,000.

### 5. Rubbish bags

Council has indicated a desire to shift the approach to the distribution of rubbish bags and rating for this service. This is explained further below:

#### Rubbish Bag Options

As per the attached paper, 34 respondents to the current survey supported changing to a rubbish bag system that gives people an incentive to reduce their waste with 33 not supporting a change and 20 people did not indicate a preferred option. 45% of respondents considered this initiative was 'important or 'very important' but a large percentage (41%) did not state a position so it is difficult to interpret community views on the importance of this option in terms of waste minimisation.

It is noted the level of support for changes to the rubbish bag system has increased since the 2010 consultation although the difference in the number of respondents between 2010 consultation round and 2017 feedback process is considerable (657 vs 87).

#### Current approach (Option 1)

Currently urban rate-payers pay a targeted rate for waste and recycling collection. This is a lump sum which pays for all the waste services however the operation of waste management services (transfer station) is currently subsidised by the targeted rate.

Residents who receive waste and recycling kerbside collection pay for it through their rates. In the 2017/18 financial year residents will pay \$153.08 through their rates for this service. This covers the supply and collection of one 60 litre Council rubbish bag and one recycling bin every week.

Rate-payers currently receive a voucher for 52 rubbish bags per year so they can collect rubbish bags once a year from the nearest Council office. If residents need more bags they have to purchase them from a Council office or retailer for \$3 each. Vouchers are supplied to rental agencies/property managers who are responsible for passing the rubbish bags onto tenants.

Our current approach is for cost of the rubbish bags is paid through rates (52 bags supplied). The rates divided by 52 approximately equals the cost of each rubbish bag (\$3). The rates people pay for rubbish services is made up of the actual cost of the rubbish bag itself, the kerbside collection service, disposal, recycling pick-up, waste services such as transfer stations, education programmes and GST.

The key advantages and disadvantages of the current approach is as follows:

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Council retains control over the price of rubbish bags, this means residents benefit from the cheaper contract rates that Council can get for collecting rubbish over the whole district;</li> <li>• Council can monitor waste disposal and whether we are reducing the amount of waste going to landfill;</li> <li>• The community understands how the present system works;</li> <li>• Tenants don't have to pay directly for their own rubbish bags.</li> </ul>	<ul style="list-style-type: none"> <li>• Residents would continue paying for a minimum of 52 rubbish bags, whether they use them or not;</li> <li>• There is no incentive for urban residents to reduce their waste (i.e. you don't have the opportunity to save money by reducing the number of rubbish bags you use);</li> <li>• Because there is no incentive, it is unlikely that we would see a reduction in waste going to landfills (so this option does not align with the Strategy);</li> <li>• Landlords have to pay through their rates for rubbish bags for their tenants;</li> <li>• Tenants have to rely on landlords to forward rubbish bags to them, or buy their own;</li> <li>• This distribution system is inefficient, as Council has to employ additional temporary staff to distribute rubbish bags at Council offices.</li> </ul>

Changing the system (Option 2)

Council would stop distributing rubbish bags from Council offices once a year to rate payers who receive waste and recycling kerbside collection. This means urban residents would no longer receive a voucher for 52 rubbish bags per year. They would however continue to receive the same level of service from this activity. People would need to buy official rubbish bags from retail outlets (such as supermarkets).



Based on an assumption of a 70% uptake, as shown in the table below Council would reduce the rates for waste from approximately \$153 to \$29.00 per year. Residents would then need to purchase official rubbish bags yourself through retail outlets (such as supermarkets). Staff estimate the cost of individual rubbish bags would be \$2.00 at the supermarket. The remaining rate would cover the cost of kerbside collection of rubbish bags once a week.

This would mean if a person bought 52 rubbish bags at \$2.00 (total \$104.00) and paid the residual rate of \$29.00 this would be a total of \$133.00.

total net cost of service \$ 1,000,000.00	bag cost	100%	90% uptake	80% uptake	70% uptake	60 % uptake
bags purchased and distributed 510000	\$ 3.00	\$ 1,530,000.00	\$ 1,377,000.00	\$ 1,224,000.00	\$1,071,000.00	\$ 918,000.00
	\$ 2.50	\$ 1,275,000.00	\$ 1,147,500.00	\$ 1,020,000.00	\$ 892,500.00	\$765,000.00
	<b>\$ 2.00</b>	\$1,020,000.00	\$ 918,000.00	\$ 816,000.00	<b>\$ 714,000.00</b>	\$ 612,000.00
	\$ 1.75	\$ 892,500.00	\$ 803,250.00	\$ 714,000.00	\$ 624,750.00	\$ 535,500.00
	\$ 1.50	\$ 765,000.00	\$ 688,500.00	\$ 612,000.00	\$ 535,500.00	\$ 459,000.00
Targeted rate funding required	bag cost	100%	90% uptake	80% uptake	70% uptake	60 % uptake
	\$3.00	-\$ 530,000.00	-\$ 377,000.00	-\$ 224,000.00	-\$ 71,000.00	\$ 82,000.00
	\$ 2.50	-\$ 275,000.00	-\$ 147,500.00	-\$ 20,000.00	\$ 107,500.00	\$ 235,000.00
	<b>\$ 2.00</b>	-\$ 20,000.00	\$ 82,000.00	\$ 184,000.00	<b>\$ 286,000.00</b>	\$ 388,000.00
	\$ 1.75	\$ 107,500.00	\$ 196,750.00	\$ 286,000.00	\$ 375,250.00	\$ 464,500.00
\$ 1.50	\$ 235,000.00	\$ 311,500.00	\$ 388,000.00	\$ 464,500.00	\$ 541,000.00	
Targeted Rate	bag cost	100%	90% uptake	80% uptake	70% uptake	60 % uptake
	\$ 3.00	-\$ 54.36	-\$ 38.67	-\$ 22.97	-\$ 7.28	\$ 8.41
	\$ 2.50	-\$ 28.21	-\$ 15.13	-\$ 2.05	\$11.03	\$ 24.10
	<b>\$ 2.00</b>	-\$ 2.05	\$ 8.41	\$ 18.87	<b>\$ 29.33</b>	\$ 39.79
	\$ 1.75	\$ 11.03	\$ 20.18	\$ 29.33	\$ 38.49	\$ 47.64
\$ 1.50	\$ 24.10	\$ 31.95	\$ 39.79	\$ 47.64	\$ 55.49	

Council would control the price of rubbish bags by making them available to purchase at the Council offices. This is the same method used by Thames Coromandel District Council, Hauraki District Council, and the majority of other Councils in New Zealand. Council would be aiming to recover \$1 million from the combination of bag sales and the residual rate to cover the kerbside service.

Total cost of Kerbside Service Total cost of Kerbside Service (this includes a portion of overheads)	\$ 952,000.00
Estimated margin to supermarkets	\$ 48,000.00

This proposal also assumes income broken down as follows – importantly this assumes that the Council transfer stations fees will increase to reflect more of the true cost of waste disposal at these sites by approximately \$150,000 and a shift of approximately \$100,000 of costs to the general rate to more appropriately reflect the public good of some aspects of the service such as CBD rubbish collection.

Rates and rubbish bags	\$ 1,000,000.00
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RTS income	\$ 560,000.00
Share of levy (minimisation)	\$ 112,000.00
general rate	\$ 650,000.00
<b>Total income (approx.)</b>	<b>\$ 2,322,000.00</b>

**So what would be covered by the general rate?**

Waste Management Indirect Costs	\$ 2,708.00
Waste Management Non Routine Projects	\$ 70,600.00
TA After Care Landfill Interest	\$ 47,453.00
KVS & Plant Street collections	\$ 130,000.00
overheads	\$ 210,000.00
RTS Subsidy from targeted rate	\$ 129,500.00
General operational costs	\$ 60,000.00
Total	\$ 650,000(approx.)

Assuming 70% uptake means that Council is assuming that we will sell 70% of the number of bags (more or less) that are currently distributed each year. If Council achieve more than this target then there will be a surplus.

total net cost of service \$ 1,000,000.00	100% uptake	90% uptake	80% uptake	70% uptake	60 % uptake
bags purchased and distributed 510,000 income	\$ 1,020,000.00	\$918,000.00	\$816,000.00	\$714,000.00	\$612,000.00
Targeted rate funding set	\$ 388,000.00	\$ 388,000.00	\$388,000.00	\$388,000.00	\$388,000.00
Total income	\$1,408,000.00	\$1,306,000.00	\$1,204,000.00	\$1,102,000.00	\$1,000,000.00
Surplus/Shortfall	\$408,000.00	\$306,000.00	\$204,000.00	\$102,000.00	\$ -

Council has indicated the key driver of change to the rubbish bag system is to encourage waste minimisation. By shifting to a system where people need to buy their own rubbish bags it may reduce the waste sent to landfill. It is difficult to know the extent of waste minimisation this change will create however parallels can be drawn from water metering, which is essentially a user-pays system for water usage. Councils that have introduced water metering have generally found their community reduces water consumption as there is a direct cost implication for water usage.

The key advantages and disadvantages of option 2 is as follows:

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Rates would be reduced and you would only pay for what you use;</li> <li>Council can monitor waste disposal and whether we are reducing the amount of waste going to landfill;</li> <li>This option should reduce the amount of</li> </ul>	<ul style="list-style-type: none"> <li>The cost of rubbish bags would no longer be covered by your rates;</li> <li>Tenants may face increase in costs if landlords fail to pass rates savings on.</li> </ul>



Advantages	Disadvantages
<p>waste going to landfill because it provides an incentive to reduce waste (if you reduce waste it will save residents money). Because we anticipate a reduction in waste going to land fill, this option aligns with the WMMP;</p> <ul style="list-style-type: none"> <li>• We won't have to pay for printing and postage of rubbish bag vouchers and temporary staff to distribute the bags;</li> <li>• Council retains control over the price of rubbish bag collection, this means you benefit from the cheaper contract rates that Council can get for collecting rubbish over the whole district;</li> <li>• Rubbish bags may be cheaper than the \$3.00 currently charged by Council depending on the model adopted by Council;</li> <li>• Landlords would no longer need to forward rubbish bags to tenants.</li> </ul>	

User-pays vs. Rates philosophy

The proposal to change the way the refuse bags are delivered and charged for is a direct move to user-pays but also brings about more flexibility into the system. Changing to the system builds in a certain amount of flexibility which the status quo does not allow allowing the community to have more control and the ability to save money by producing less waste. By shifting to a user pays system it is intended to build in financial incentives to reducing waste (i.e. the need to buy less bags and save money).

User-pays is a pricing approach based on the idea that those who do not use a service should not be obligated to pay for it. Under a user-pays system consumers pay directly for the cost of the goods or services they receive. A user-pays system is fundamentally a more transparent system, as it shifts the price of a service from being the lowest average cost per dwelling to a direct cost borne by the user. Since these users are often more conscious of consumption, user-pays can potentially act as a tool for waste minimisation efforts.

Currently urban rate-payers pay a targeted rate which covers the cost of supplying and collecting rubbish bags. Council presently operates a uniform annual targeted rate for the waste services. Because the price of rubbish bags is included in the rates it is essentially a 'hidden cost'. The pricing method currently used involves assessing the full costs of providing waste services and charging this amount through rates. Theoretically, with a uniform charge [i.e. targeted rate] there is no incentive to use less of a good or service because the cost has been paid through rates. If there is an increase in the cost of waste collection and disposal there will be a corresponding increase in rates.

Costs and funding options

The costs and funding options are set out above.

### Alignment with other Council's

If Council decide to change the distribution and charging system then there is systematic alignment with our neighbouring Councils who currently use a similar system to option 2 including Thames-Coromandel and Hauraki District Council.

### Timing of change

Council is required to publish a Consultation Document as the basis for its community consultation on the Long-Term Plan 2018. The Local Government Act 2002 provides for a concise and focused consultation document instead of detailed draft plans that have a lot of technical material for the Long-Term Plan.

Council could consider including a proposal to change the rubbish bag system in the Consultation document – this would effectively open up another round of consultation on this matter.

Council may wish to consider the following options with regard to timing:

1. Include this matter as a key issue in the Long-Term Plan Consultation document. This would be consulted upon around March 2018 with Council making final decisions in May/June 2018.

Under this option any change to the refuse bag system would not be confirmed until just before the start of the 2018/19 financial year and Council would not achieve the 1 July 2018 deadline – that is to say the refuse bags would be distributed prior to Council confirming its position. Council would therefore distribute rubbish bags as per the current process in June 2018, but this would be the final time with residents needing to purchase bags from retail outlets in 2019/20.

2. Council proceeds with the change without further consultation – in which case it becomes a communication exercise with a decision on the rates vs. bag charges.
3. Council implements the changes immediately with no further distribution of refuse bags.

Councillors have indicated their preferred approach is option 3 - to introduce the changes for 2018/19 (so rubbish bags would not be distributed in June 2018) with a communications exercise to inform the community of the changes and the rationale for them as part of a drive towards waste minimisation.

### **Analysis of preferred option**

There is no preferred option. Council has given an indication of its preferences as indicated in this report and the recommendation made reflects this.

### **Consistency with the Long Term Plan / Annual Plan**

Feedback from the Right Debate should be used when developing the Long Term Plan and is therefore consistent with what we are trying to achieve when developing the Long Term Plan.

### **Impact on significance policy**

The outcomes of the Right Debate could result in an impact to the Significance Policy however results should also feed into the Long Term Plan therefore providing strategic direction for Council and minimising the impact on the Significance Policy.

### **Legal and statutory requirements**

The Local Government Act 2002 requires Council to enable democratic decision-making to promote its purpose *to enable democratic local decision-making and action by, and on behalf of,*

communities; and to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses within a framework of accountability and prudent financial management.

Council must, in the course of the decision-making process:

- seek to identify all reasonably practicable options for the achievement of the objective of a decision;
- assess those options by considering:
  - the benefits and costs of each option in terms of the present and future interests of the district;
  - the extent to which community outcomes would be promoted or achieved in an integrated and efficient manner by each option;
  - the impact of each option on Council's capacity to meet present and future needs in relation to any statutory responsibility;
- any other matters that, in the opinion of the Council, are relevant; and
- give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.

It is the responsibility of Council to make, in its discretion, judgments about how to achieve compliance with its decision-making obligations that is largely in proportion to the significance of the matter affected by the decision. Council has undertaken a community consultation process and should consider how it has complied with the above provisions and any further steps it considers necessary to give effect to these considerations.

Council is required to adopt a Long Term Plan under the Local Government Act 2002. As the Right Debate is not required under the Local Government Act 2002, there are no legal requirements regarding this consultation but feedback given should be considered for the development the Long Term Plan.

#### Right debate

The right debate is not a required statutory process. However, it is recommended by the Office of the Auditor General and the importance of engaging the community in the right debate is signalled in Section 93(6) (f) of the LGA 2002:

*(6) The purpose of a long-term plan is to ...*

*(d) provide a long-term focus for the decisions and activities of the local authority; and*

*(f) provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the local authority.*

The LGA 2002 requires Council to use the special consultative procedure to provide that opportunity for participation. The special consultative procedure has its own detailed requirements and will require consultation using the consultation document in 2018. An LTP is a large document containing a great deal of detail. Therefore, Council needs to find a way to effectively communicate the major issues, choices, and implications so they are readily apparent to the community. The pre-consultation on the waste minimisation initiatives is one way of doing this.

In our view, it is useful to seek feedback on the important issues facing Council early on in the LTP process so the public can have input in Council's strategic direction.

The auditor-general has continued to express the view that one of the important dimensions of an LTP is that it focuses on the important issues, options, and implications of the future focus of Council – setting out "the right debate".

On 3 August 2015, the Controller and Auditor-General reported on how Council consulted the community about the 2015 LTPs. This stated that:

*Consultation with the community is a fundamental part of the local government long-term planning process. It is very important that local authorities provide quality information to their communities so that "the right debate" can be held as they plan for the future.*

The principles of consultation (section 82, Local Government Act 2002) requires that Council's consultation must be undertaken in a way that those who are affected or have an interest in the issue are given reasonable access to relevant information and can present their views to Council in a way that is appropriate to the preferences and needs of those persons.

The special consultative procedure has not used in seeking feedback on the 10 waste minimisation initiatives, so there is no specific obligation for Council to hold a hearing but it needs to give consideration to the feedback received with an open mind.

Council may wish to include some information or options about its waste minimisation activities in the LTP Consultation Document.

### **Impact on policy and bylaws**

The decision Council makes with regards to the rubbish bags has rating implications and affects the revenue and financing policy. Depending on the timing of the changes Council decides upon it may need to indicate in the revenue and financing policy/rating structure the approach for refuse and recycling will change. It would be important this be made clear so as to not trigger an amendment to the Long-Term Plan in that year (so that when the Annual Plan is being considered there would be no variance from the Long-Term Plan).

The Waste Minimisation Act 2008 does not prescribe specific waste management and minimisation targets, or the structure or content of WMMPs, allowing significant local flexibility in the approach taken. The Act does however include a 'waste reduction hierarchy' that Councils must consider when preparing/reviewing a WMMP. The hierarchy is listed in descending order of importance:

- reduction
- reuse
- recycling
- recovery
- treatment
- disposal

Council recently adopted the Eastern Waikato Waste Management and Minimisation Plan (WMMP) which was reviewed in conjunction with Hauraki and Thames-Coromandel District Councils. The Plan has a vision to: *"Minimise waste to landfill and maximise community benefit"*.

A key part of working towards this vision involves considering the role of waste in the wider economy – including issues of resource efficiency and viewing waste as a resource, rather than as an issue to be managed. It is proposed in the WMMP that the Councils continue to provide a range of waste management and minimisation services similar to those currently in place.

The goals of the WMMP focus on developing a range of waste management services to ensure sustainable management; conservation of resources; and protection of the environment and public health.

- Goal 1: To actively promote waste reduction
- Goal 2: Increase the recovery and reuse of resources
- Goal 3: To maintain cost-effective sustainable waste services
- Goal 4: To minimise harm to the environment and public health

Targets are included in the WMMP which are focused on the objective to “Reduce the total quantity of waste to landfill, with an emphasis on wastes that cause the most harm” as it is possible to quantify results related to this objective and track progress. It is estimated that an additional 4,800 tonnes of waste could be diverted from landfill, this equates to approximately 13% of the amount of waste currently sent to landfill from the districts. The targets for Matamata-Piako are as follows:

A 13% reduction in the total quantity of waste sent to landfills from 404kg per person per annum to 351kg per person by 2022.
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A 5% decrease in kerbside household waste to landfill from approximately 62kg per person per annum to 59kg per person per annum by 2022.
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Relevant actions identified in the WMMP action plan:

- Continue to collect waste from households weekly based on user pays bags. User charged services help incentivise recycling/recovery
- Options for providing bags with a smaller volume will be investigated.
- Options for providing subsidised bags to target groups will be investigated.
- Consideration shall be given to extending or reducing kerbside service provision depending on demand in a particular area

#### New Zealand Waste Strategy

The Act outlines that councils must have regard to the New Zealand Waste Strategy when preparing/amending a WMMP. The Ministry for the Environment has published guidance on reviewing WMMPs, which notes that a WMMP should demonstrate how Councils intend to meet the (2010) New Zealand Waste Strategy’s goals of reducing environmental harm and improving efficiency.<sup>1</sup>

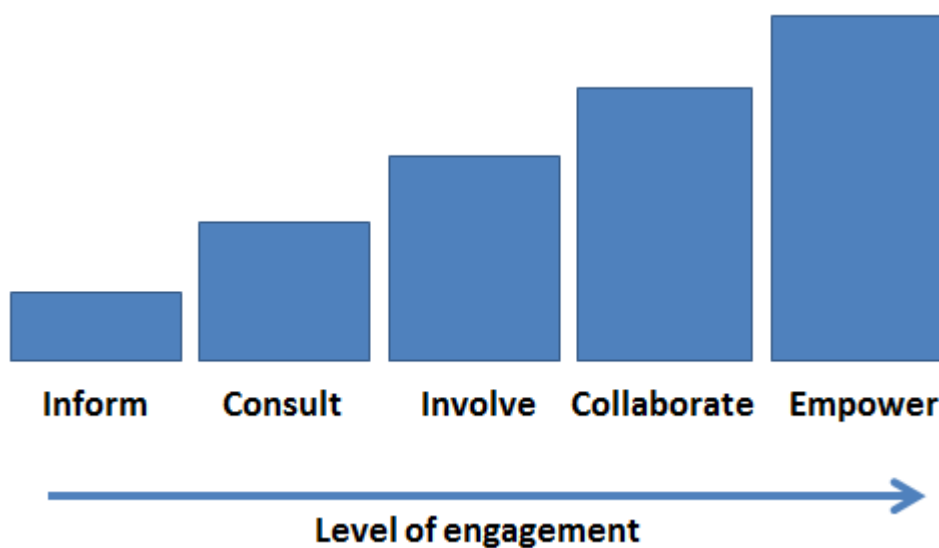
#### **Impact on significance policy**

The Significance and Engagement Policy provide guidance on how to determine significance, and the appropriate levels of engagement in proportion to the level of significance. In general, the more significant an issue is determined to be, the greater the need for community engagement. The Policy sets out the matters which must be taken into account when assessing the degree of significance;

- there is a legal requirement to engage with the community
- the level of financial consequences of the proposal or decision
- whether the proposal or decision will affect a large portion of the community

<sup>1</sup> Ministry for the Environment, *Waste Management and Minimisation Planning: Guidance for Territorial Authorities*, 2015, [www.mfe.govt.nz/publications/waste/waste-assessments-and-waste-management-and-minimisation-planning-guide](http://www.mfe.govt.nz/publications/waste/waste-assessments-and-waste-management-and-minimisation-planning-guide)

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



Council has sought feedback from the community on 10 potential initiatives to reduce waste using a 'consult' approach. Council is asked to consider if it wishes to undertake further community engagement on these issues for example as part of the Consultation Document for the Long-Term Plan 2018-28 or as part of a separate pre-consultation process.

All of the initiatives Council wishes to pursue (other than changes to the rubbish bags) are not significant in that they will have no impact on rates and can be funded from the existing Waste Minimisation Levy funds.

Changes to the rubbish bag system is potentially significant in terms of the Significance and Engagement Policy in that it involves a change in rating and a service used by a large portion of the community. Council has previously consulted on potential changes to the rubbish bag distribution system and received over 800 submissions, which indicates this is an issue of community interest.

#### **Communication, consultation and decision making processes**

The WMMP aims to encourage people to minimise household rubbish and become more sustainable. Following on from this work, we need to agree on our district's approach to waste minimisation as part the LTP, which will take effect from 1 July 2018.

If Council opts to change the refuse bag system for the 2018/19 financial year (so rubbish bags would not be distributed in June 2018) a Communications Plan is attached for Councils approval.



Even if Council does not include this issue in the Long Term Plan Consultation Document it is possible community feedback will still be received on the issue. The Long Term Plan is subject to the special consultative process under the LGA. The special consultative process is a structured one month submission process with a hearing for those who have submitted and wish to speak to their submission.

### Consent issues

There are no consent issues.

### Timeframes

The timeframes for the community recycling network, waste management/reduction position rural recycling and changes to the rubbish bags have previously discussed in this report.

### Contribution to Community Outcomes

The Significant and Engagement Policy contributes to the 2015-25 Long Term Plan Community Outcomes relating to Decision Making, and in particular

*2a Our community/iwi will be informed and have the opportunity to comment on significant issues.*

*4b Council will provide and promote sustainable waste management options to protect our environment.*

Council has developed a new set of Community Outcomes for the 2018-28 Long Term Plan. The Significant and Engagement Policy contributes to the following outcome for the 2018-28 LTP;

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

*We support environmentally friendly practices and technologies.*

### Financial Impact

#### i. Cost

As detailed earlier the following are the estimated costs:

Activity / task	Cost
Develop a viability assessment of a refuse recovery centre	\$10,000
Develop business case for waste minimisation position	\$15,000
Rural recycling services assessment	\$30,000
<b>TOTAL</b>	<b>\$55,000</b>

The costs and options with regards to rubbish bags are discussed earlier in this report.

The attached communications plan identifies initiatives costing \$13,500 plus the cost of supermarket displays. A budget allowance of \$20,000 is recommended for the changes to the rubbish bags system, with the cost of other initiatives yet to be confirmed.

#### ii. Funding Source

The projects Council has indicated it wishes to pursue can be funded from the Waste Minimisation Levy.

## Attachments

There are no attachments for this report.

## Signatories

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



## Amendment to Dog Control Bylaw

Trim No.: 1892000

### Executive Summary

Council has indicated it wishes to make a change to one of the dog exercise areas at the Morrinsville Recreation Grounds. The Morrinsville Recreation Grounds Polo Field area (at times when there is no Horse or Sports activity) is currently identified as a Dog Exercise area under the Dog Control Bylaw.

Council has formally resolved to provide for an area 300 metres in length back from the Avenue Road as an exercise area for dogs. Since the resolution was passed by Council further discussions have taken place with the prospective leasee of the land adjoining the Morrinsville Recreation Grounds and it is now suggested the Dog Exercise area be located in a different location to that previously resolved by Council.

Under sections 158 to 160 of the Local Government Act 2002 (LGA), Council is required to review all bylaws within five years of their adoption and every 10 years thereafter. The Dog Control Bylaw (Bylaw) was last reviewed in 2016 so a statutory review is not triggered until 2026. An amendment to the Dog Control Bylaw is needed to bring this change in dog exercise area into force.

This report therefore presents a Statement of Proposal to amend the Bylaw (circulated separately along with the draft bylaw). If the Council agrees, a consultation process will be initiated under the LGA. Consultation with the public is due to occur from 18 October to 20 November. A hearing of submissions is scheduled for Wednesday 6 December (as part of the ordinary Council meeting).

## Recommendation

That:

1. The information be received.
2. Council resolves to revoke resolution 10.1 passed at the Corporate and Operations Committee meeting on 24 May 2017.
3. Council resolves that the proposed Bylaw amendments meets the requirements of Section 155 of the Local Government Act 2002, in that:
  - The Bylaw amendment (subject to the outcome of the consultation process), is the most appropriate way of addressing the perceived problems; and
  - The Bylaw amendment is the most appropriate form of Bylaw; and that
  - The Bylaw amendment does not give rise to any implications under, and are not inconsistent with, the New Zealand Bill of Rights Act 1990.
4. Council adopt the amendment to the Dog Control Bylaw and the corresponding Statement of Proposal for consultation.
5. Council considers funding of fencing, signage, walkway and associated works to create the proposed dog exercise area as part of the Community Facilities & Property Bulk Funds (which is subject to a separate report on this agenda).

## Content

### Background

Council has recently acquired land that borders both the railway and the park adjacent to the Morrinsville Recreation Grounds. Councillors visited the Morrinsville Recreation Ground and suggested that part of it would make an appropriate fenced off dog park. This would allow dogs to be exercised without interfering with the use of the remaining area. It would also contain dogs and keep them away from hazards such as traffic.

On the bus tour around Morrinsville it was noted that Lot 4 DPS 89006 which contains an area of 3.1 hectares and is adjacent to the Morrinsville recreation grounds could be used as an exercise area for dogs and the remainder be maintained by Mr D Sing.

There has been an increase in the number of people using the Morrinsville recreation grounds for different sports as well as being a designated area for exercising dogs. It was identified that the first 300 metres back from Avenue Road South could be used as a dog exercise area. At the Corporate and Operations Committee meeting on 24 May 2017 Council made the following resolution:

*That an area, 300 metres in length back from the Avenue Road South boundary on Lot 4 DPS 89006 be used as an exercise area for dogs and the remainder of the land be maintained by Mr D Sing.*

It was suggested that use of this land would require removal of the existing fence and replacement with a 7-wire stock fence (675m in length with pedestrian and vehicle gates). Existing vegetation would need to be cleared, stumps ground and the drain excavated to leave a tidy finish. The stock loading bank would need to be removed, and furniture installed (tables, benches, dog bag dispensers and rubbish bins). The original proposed site is uneven and would be difficult to mow

and potentially hazardous to walk on without care. To produce a good result, the area would need to be levelled and reseeded.

At the time of writing this report no lease agreement had been signed. It is proposed the lessee will only pay the rates owed for the land with no lease revenue for Council.

### Issues

Since the resolution was passed by Council further discussions have taken place with the prospective lessee and it is now suggested the Dog Exercise area be located in a different location to that previously resolved by Council. It is therefore recommended Council revoke the above resolution and confirm it wishes to provide for a new dog exercise area in the alternative location shown on the map below.

The map below indicates the existing and original proposed dog exercise area adjacent to the Recreation Grounds as resolved by Council and the amended dog exercise area near Cureton Street/Chapman Crescent now identified as the preferred location.



The Morrinsville Recreation Ground is a District Sports Ground, and is currently a “dogs on leash” area except for the polo ground which is an off-leash area when it’s not being used for horses or sports.

The Bylaw was last reviewed in 2016 and at that time Council added a clarification to Schedule 3 to state that the Morrinsville Recreation Grounds Polo Field area was a dog exercise area only at times when there is no Horse or Sports Activity – previously the Bylaw only restricted dog exercising when there was no Horse activity.

A dedicated dog park would potentially reduce any conflict between dogs and other park activities. The 2014 Reserve Management Plan is silent on the provision of a future dedicated dog area.

There are two existing dog off leash open spaces in Morrinsville currently located at Holmwood Park and Murray Oaks neither of which are fenced. There is no known concern with regard to the use of these areas to date.

The key risks of this decision relate to potential lack of use and proximity to railway which will require a level of awareness and probably fencing to occur. The proposed area is also adjacent to residential housing, the owners/occupiers would need to be targeted as part of any consultation process.

It is noted that the project is included as part of the Community Facilities & Property Bulk Fund 2017-18 items which Council will be considering at this meeting.

Clause 6.1 of the Dog Control Bylaw states that: *The Council may designate by resolution any Public Place to be a dog exercise area and added to schedule 3 of this Bylaw. Dog exercise areas may also be deleted from schedule 3 by an ordinary resolution of Council which is Publicly Notified.*

Schedule 3 of the Bylaw sets out the dog exercise areas (where a dog may be exercised free of restraint provided that it is under the control of a Person capable of physically restraining the dog and of exercising visual and oral control over the dog).

The validity of amending bylaw schedules by way of resolution has been discussed within the local government sector over the years. Although practice can differ between Councils it is generally considered that if a schedule is within a bylaw it forms part of the bylaw and Council can only make amendments by resolution if they are issues that are not contained in the bylaw itself and are kept in a separate register.

Section 151(2) of the LGA 2002 states that *a bylaw may leave any matter or thing to be regulated, controlled, or prohibited by the Council by resolution either generally, for any specified classes of case, or in a particular case.*

Arguably, under section 151(2) a bylaw schedule could be said to be 'matters to be regulated' but this is generally taken to mean Council resolving matters of detail under a bylaw such as permit conditions.

Despite Clause 6.1 of the Bylaw and section 151(1) of the LGA staff consider it is prudent to consult on the changes proposed to ensure all legal requirements are met. This will also provide an opportunity for the community to give feedback on the proposal.

## Analysis

### Legal and statutory requirements

The Dog Control Act 1996 requires councils to have a Policy on Dogs (Policy), and requires a Dog Control Bylaw (Bylaw) to enforce the Policy. A Bylaw cannot be inconsistent with the Policy. The proposed changes Council wishes to make to the Bylaw are not inconsistent with the policy.

The general position is that Council must review the policy if the bylaw requires review. However section 10AA(1) of the Dog Control Act sets out that this applies if a bylaw is required to be reviewed by Council under section 158 or 159 of the LGA.

Sections 158/159 of the LGA relate to Council undertaking a 5 or 10 year statutory review of the bylaw rather than an ad-hoc amendment under s156(1) of the LGA (outside of the 5 or 10 year review cycle). Therefore a review of the policy is not triggered. In this instance Council is not proposing to review the Bylaw but rather make a relatively small amendment to Schedule 3 of the Bylaw.

The statutory requirements are covered in the Statement of Proposal which includes an analysis of section 155 of the LGA 2002 regarding whether a bylaw is the most appropriate way of addressing the perceived problem, the most appropriate form of bylaw; and whether it gives rise to any implications under the New Zealand Bill of Rights Act 1990.

### Options considered

In undertaking this review, the Council should give consideration to the following options including:

1. *Status Quo – Retain the current Bylaw without amendment:* This option would leave the area as it is and continue to allow use of the polo grounds as an off-leash area when they are otherwise not in use.
2. *Amend the bylaw:* Council can consult on the bylaw amendment and seek community views.

Council will need to give consideration to the costs of fencing, pathways and associated works that may be needed as part of this proposal.

In terms of broader options to address the issue Council may wish to consider the following:

Option A - Council may also wish to create a sketch plan to develop the area proposed for dogs located approximately at the end of the Polo Field, including fence lines, access points and walkway linkages which can then be costed and consulted on if appropriate through the Long Term Plan process.

Option B – develop a sketch plan to develop the area proposed for dogs located approximately at the end of Craig and Chapman Crescent running parallel with the railway. The sketch plan to include proposed fence lines, access points and walkway linkages which can then be costed and consulted on if appropriate through the Long-Term Plan process.

Option C – Lease the recently acquired area that runs parallel to the railway line for grazing until such time as the land maybe required for Council purposes.

Option D – Council decide which area they wish to dedicate as an off leash area, decide if they wish to fence area and the extent to which the existing land be improved both in terms of ground levelling, grassing and provision of parks furniture and amenity assets such as tree planting without any sketch plan or known costs.

### Analysis of preferred option

An amendment of the Bylaw is considered the most appropriate way of addressing the change sought by Council to reduce conflict with polo field users at the Recreation Ground.

The demand for a dedicated dog park is not clear and the proposed new location untested. For this reason initially keeping costs to a minimum if the project were to proceed is recommended. Operational costs will increase as new fences and infrastructure will be created and if well used increased impacts on the park will occur which while positive will increase costs such as bin emptying, toilet usage, car parking impacts etc.

Council may wish to develop a concept plan identifying the extent of proposed area to be developed as an off leash area and more accurately cost asset development and ongoing operational costs. When sketch plan is developed consultation with both neighbours and dog owners around demand and possible long term use could be undertaken.

### Legal and statutory requirements

These are addressed above and in the Statement of Proposal.



Section 156 of the LGA outlines the consultation requirements when making, amending, or revoking bylaws. This requires Council to use the use the special consultative procedure under section 83 of the LGA if:

- The Bylaw concerns a matter identified in Councils significance and engagement policy as being of significant interest to the public; or
- Council considers that there is, or is likely to be, a significant impact on the public due to changes to the bylaw; and

In any case in which the above does not apply, Council must consult in a manner that gives effect to the requirements of section 82 (principles of consultation). In reality giving effect to the requirements of section 82 is will not be very different to the special consultative procedure.

Council's significance and engagement policy does not identify the bylaw or an amendment to it as being of significant interest to the public. The proposed new dog exercise area is not likely to be of significant interest to the general public however it is likely to be of interest to dog owners in the Morrinsville area, users of the Recreation Ground and surrounding residents. Therefore it is considered that Council can use section 82 of the LGA to consult with the community on the bylaw amendment.

The proposal is not to reduce the number of dog exercise areas within the Dog Control Bylaw but rather replace the current area and provide for an exercise area at a nearby site adjacent to the Recreation Grounds. There would still be a dog exercise area in this part of Morrinsville. Only the size of the area and the location of the exercise area would change.

#### **Impact on policy and bylaws**

This process will amend Councils Dog Control Bylaw.

#### **Impact on Significance and Engagement Policy**

Refer to discussion under 'Legal and statutory requirements' heading.

#### **Communication, consultation and decision making processes**

There has historically been a high degree of interest in dog control regulation, particularly in relation to where dogs can and cannot be taken in the district.

In terms of consultation it is proposed to provide two notices within Council in focus, promotion on the Council website, e-newsletters and send letters to the residents/property owners adjacent to the Morrinsville Recreation Grounds and users of the area (such as the polo club). Council also potentially target dog owners by writing to the Morrinsville vets (and asking them to display posters or submission forms).

Section 10(2) of the Dog Control Act requires that prior to adopting a policy on dogs Council must, under section 83(1)(e) of the LGA, give notice of the draft policy to every person who is, according to its register, the owner of a dog. There are approximately 5,500 registered dogs in the district. At the time of the policy and bylaw review last year Council notified all dog owners through the 'paw prints' newsletter. As there is no review of the policy at this time it is considered that the requirement to notify all dog owners of the changes does not apply.

#### **Timeframes**

It is suggested the following timeline would be appropriate:

Task	Timeframe
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Draft Bylaw approved for consultation	11 October
Consultation period	18 October –close 8am on 20 November
Council hearing and adoption	6 December (regular Council meeting date)

If Council wishes to proceed with the proposal selected works could be undertaken as follows:

- Spray grass – February 2018
- Remove existing fences, vegetation and stump grinding – February 2018
- Clear drain, remove stock loading bank and contour ground – March 2018
- Re fence boundaries and install gates – March 2018
- Harrow, seed and roll – March to April 2018
- Install new furniture – April to May 2018

Depending on when Council confirm its decision on the bylaw amendment the above timeframes may need to be shifted out by around 1 month. Council staff are also aware it can be challenging to arrange contractors during January as many close down during this period.

### Contribution to Community Outcomes

The bylaw amendment relates to the following community outcomes:

- 1.f) Council services and activities will contribute to the health and wellbeing of our community/Iwi
- 2.a) Our community/Iwi will be informed and have the opportunity to comment on significant issues
- 2.c) Council's decision making will be sound, visionary and consider the different needs of our community/Iwi
- 3.a) Council's reserves and facilities will be safe, well maintained and accessible to encourage people to use them

### Financial Impact

#### i. Cost

##### Consultation costs

There will be costs incurred to run the consultation process. The cost of a public notice in Council in Focus is approximately \$300 (x2 newspapers, x2 editions).

##### Physical works

No concept/development plan has yet been developed so costing of the project and the actual extent of the project has not been scoped fully. Approximate costs are as follows:

- New fences and gates - \$16,500
- Supply and installation of furniture:
  - Picnic tables \$2,000 each
  - Park benches \$1500 each
  - Dog bag dispensers \$500 x 2
  - Rubbish bins \$1250 each x 2
- Spray, level and seed area - \$10,000
- 410m of concrete path (1.5m wide) - \$30,750 or Metal path (1.5m wide) – \$18,450

Total cost \$50,200 - \$ 62,500

##### Annual Operational Costs

- Mowing \$1,500
- Rubbish Collection \$250

- Plastic Bags for Dog Dispensers \$100
- Repairs and maintenance for damage/vandalism \$500

Ongoing operational costs of this proposal will be higher than at present (increased mowing, bin servicing, and depreciation of assets). Capital costs are likely to be relatively high for the level of benefit to be gained.

#### ii. Funding source

The cost of undertaking the consultation is funded by existing Strategies and Engagement budgets.

Council will need to consider allocating funding for the physical works through the Community Facilities & Property Bulk Fund 2017-18 items which Council will be considering at this meeting or through the Long-Term Plan 2018-18 in order to make the dog exercise area usable.

### Attachments

There are no attachments for this report.

### Signatories

Author(s)	Niall Baker <b>Acting Senior Policy Planner</b>	
Approved by	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Manaia Te Wiata <b>Group Manager Business Support</b>	



## Community Facilities and Properties Bulk Fund 2017-18

Trim No.: 1931754

Item 11.1

### Executive Summary

The 2017-18 Community Facilities and Properties Bulk Fund provides \$175,000 for allocation towards projects across the Community Facilities and Properties activity groups. A balance of \$128,738 is currently available for allocation towards new projects. Before allocating funding towards new Projects, Council is also asked to review the scope of some existing projects and provide appropriate funding.

Potential projects to be funded from the Bulk Fund have been identified based on needs identified by staff, councillors, feedback from user groups and the community.

It is recommended that Council reviews the potential projects, identifies priorities and allocates funding for the highest priority projects.

The report also provides an update on projects approved in the 2016-17 Financial Year that have been carried forward to the current financial year.

### Recommendation

That:

1. **The report be received;**
2. **Council identifies the highest priority projects from the potential project list and allocates funding toward those projects;**
3. **Council approves a change in scope or approves additional funding for the Lockerbie Park North-South walkway (Table 4, Number 2);**
4. **Council provides direction to staff on the preferred format criteria for the District Boundary signs (Table 4, Number 1) to allow more detailed designs to be developed for approval.**

### Content

#### Background

##### *Available funding*

The 2017-18 Community Facilities and Properties Bulk Fund provides \$175,000 for allocation towards projects across the Community Facilities and Properties activity groups.

Council has previously decided to allocate some of the Bulk Fund annually towards signage and track upgrades. Allocations have also been made to other projects carried over to this financial year. In the previous Financial Year, the sum of the approved projects exceeded the available budget resulting in a funding shortfall that will need to be still funded.

**Table 1: Budget**

Annual budget	\$175,000
Carry forwards from previous years	\$139,475
<i>Sub-Total</i>	\$314,475
Previously allocated towards projects in previous financial year	(\$163,237)
<i>Sub-Total</i>	\$ 151,238
Annual signage allocation	(\$7,500)
Annual track renewal allocation	(\$15,000)
Balance available to allocate this Financial Year	\$128,738

There is currently a balance of \$128,738 available for allocation to new projects in 2017-18.

*Business cases*

Draft business cases have been developed for proposed projects and have been circulated separately to the agenda.

*Assessment process*

Council staff assessed the project proposals against a set of criteria that consider:

- health and safety
- regulatory compliance
- strategic alignment
- improved use
- levels of service
- operational costs
- maintenance costs
- amenity value
- the level of community interest
- the potential for partnerships
- crime prevention design principles
- cost-effectiveness
- asset condition
- asset performance.

These criteria are intended to provide a technical perspective on the projects and to provide guidance to Council. It is acknowledged that Council may wish to assign different weightings/scores to the projects.

*Projects carried forward*

Some projects approved in previous financial years were carried forward to 2017-18. These projects were either not yet completed at the end of June 2017 or were on hold for various reasons. These projects are:

**Table 1:** Projects carried forward from 2015-16 and 2016-2017 to be completed in 2017-18

Ref	Ward	Location	Description	Total Cost Estimate	Funding Carried Forward	Funding shortfall	Remarks
1	DW	District boundaries	Replace existing welcome/farewell sign on highways in/out of the district (see details below)	\$16,400	\$15,000	\$1,400	Costs are likely to exceed original estimate but are within contingency %. Direction is sought on Council's preferred design criteria.
2	MV	Lockerbie Park	Walkway development (change of scope)  (see details below)	\$25,000	\$15,000	\$10,000	Either allocate another \$10,000 to make concrete path or approve scope to allow for a gravel path with existing budget.
3	MM	Wairere Falls	Carpark expansion  (see details below)	\$250,000-\$300,000 depending on scope	\$40,000  +  \$150,000	See Remarks	An application has also been made to the Tourism Infrastructure Fund. Additional funding may however be required. At a recent LTP workshop it was indicated that a further \$100K may be included in Year 1 of the Draft LTP.
4	MV	Morrinsville Recreation Ground	Shade at playground	\$20,000	\$20,000	-	Product has been received. Installation underway.

District Welcome/Farewell signs

The delay with regard to the replacement of the signs has been due to uncertainty around the preferred design and if all signs should be the same or specifically designed for each location. Staff will need clear direction to enable the project to be concluded in 2017/18. It is proposed that

officers prepare a draft standard design and seek Council agreement prior to development of the signs.

Lockerbie Park

Council is asked to consider either a change in scope to allow the new path to be gravel or to provide additional funding of \$10,000 in order to construct a concrete path. Currently there are both concrete and gravel paths in other parts of the reserve.

Wairere Falls

Consultation with Department of Conservation, Iwi and landowners has been ongoing. A concept design has been developed and discussed with Council at a recent workshop. \$40,000 was allocated in the 2016-17 Bulk Fund towards this project. Funding has also been allocated from the Community Purposes Fund with additional funding earmarked in Year 1 of the Draft Long Term Plan 2018-28. An application has also been made to the Tourism Infrastructure Fund. If successful, this could potentially enable the project to be brought forward or for enhancements to be made. A property valuation and detailed engineering design is intended to provide more accurate project costs.

*Projects on hold*

Table 5 provides detail on projects approved in previous years that were subsequently put on hold. Council may wish to remove some of these projects if it is felt that they are no longer necessary or relevant. Council may also wish to proceed with some of these projects as there may be more knowledge or certainty about some issues than there was in the past.

**Table 2:** Projects carried forward from previous years that are on hold

Ref	Ward	Location	Description	Total Cost Estimate	Funding Carried Forward	Remarks
1	TA	Te Aroha Domain	Geyser improvements	\$10,000	\$10,000	Deferred. Monitoring situation.  <i>The geyser now requires three re-drillings per year to keep the water flowing. This means that the geyser is more reliable with its displays. We have had no complaints for the last 6 months</i>
2	MM	Waharoa (Matamata) Aerodrome	Fence around playground	\$15,000	\$15,000	Awaiting outcome of hangar development and planning issues.  <i>Hangar development now unlikely to occur in this area. Future of the playground likely to be determined</i>

Ref	Ward	Location	Description	Total Cost Estimate	Funding Carried Forward	Remarks
						<i>through RMP process. This may however take some time.</i>

### Long Term Plan

It may be more appropriate to address some of the potential projects that were identified as part of the Long Term Plan process (see Table 3). These projects tend to be more significant in terms of the funding required and/or dependent on strategic factors and/or community interest.

**Table 3:** Potential projects for consideration in LTP

Ref	Ward	Location	Description	Estimate	Remarks
1	MV	Morrinsville Pool	Separate water filtration system	\$70,000	Separate water filtration system for toddler and learners pool  <i>Not discussed at LTP workshops yet.</i>
2	TA	Te Aroha Domain	Demolish former skate park building	\$30,000	Demolition and removal of old unused building adjacent to old tennis courts.  <i>Discussed at LTP workshops. Council would prefer to allocate a larger sum to 'Te Aroha Domain Redevelopment' and appoint a working party to prioritise projects this is spent on. Budget allocation made in draft LTP.</i>
3	TA	Boyd Park	No 1 Rugby field upgrade	\$115,000	Improve field surface with major renovations and install irrigation system. Cost depends on nature and scope of project.  <i>Discussed at LTP workshops. Council has asked staff to investigate options and costs further.</i>
4	DW	District Wide Swim Zone	New PA/Sound system	\$24,000	Installation of new public address systems for Swim Zones  <i>Not discussed at LTP workshops yet.</i>

Ref	Ward	Location	Description	Estimate	Remarks
5	TA	Te Aroha iSite	Visual display upgrade	\$110,000	Upgrade of visual displays and maps to improve visual appeal.  <i>Not discussed at LTP workshops yet.</i>
6	MM	Rapurapu Reserve	Reserve redevelopment	\$40,000	Roading, parking and planting enhancements  <i>Has been discussed at LTP workshops. Included in Draft LTP with budget.</i>

*New projects*

A number of potential projects for 2017-18 have been identified. Table 4 provides a summary. Supporting information has been circulated with the agenda.

**Table 4:** Potential New Bulk Fund Projects for 2017-18

Ref.	Ward	Location	Description	Estimate	Remarks	Staff Score
1	TA	August Street - unformed legal road	Stream crossing upgrade	\$8,000	Construction of a culverted stream crossing to allow all weather access	75
2	TA	Te Aroha Domain	Footpath reinstatement	\$10,000	Repair and reinstatement of potholed path alongside bowling green	70
3	MV	Riverview Road old landfill site	Walkway access improvement	\$14,000	Construct new section of river walkway and improve existing access	67
4	MM	Hetana Street Reserve	Walkway development	\$40,000	Development of walkway and other reserve improvements	63
5	DW	General Signs	Parks and office signs renewal	\$7,500	Reskin 29 to 25 parks and office signs	60
6	MM	Matamata cemetery	New ash niche wall	\$30,000	Construction of a new 64 niche concrete wall for ash interment	59
7	MV	Wisley Park	Access improvements	\$8,000	Construction of access ramp and footpath to connect to Meadow View Drive	56

8	DW	District wide swim zone	Additional shade structures	\$25,000	Purchase and installation of umbrellas and shade structure at MV and TA swim Zones	54
9	DW	District wide swim zone	New seats and picnic tables	\$18,000	Purchase of new seats and picnic tables for all three swim zones	52
10	MV	Morrinsville swim zone	Security camera installation	\$4,000	Installation of security camera system at Morrinsville Swim Zone	50
11	MV	Studholme Street	River walkway extension	\$3,000	Construct a formed track from the Studholme Street bridge to meet the river track	48
12	MV	Morrinsville office	Signage improvements	\$5,000	Design and Installation of new signage to improve visibility of offices	41
13	DW	District wide swim zone	New drinking fountains	\$18,000	Purchase and installation of new drinking fountains at all three swim zones	39
14	TA	Silver Fern Farms Events Centre	Event flooring (relocatable)	\$39,000	Matting to cover one court	37
15	TA	Silver Ferns Farms Event Centre	Function room AV fit out	\$23,500	Supply and installation of projector, screen, lectern, speakers	35
16	MM	Firth Tower Heritage Centre	Heat pump	\$8,000	Purchase and installation of new heat pump in meeting room	30
17	TA	Former Te Aroha Railway Station	Parking improvements	\$10,000	Sealing of carpark area	27
18	TA	Silver Fern Farms Event Centre	Chairs for function room	\$32,000	Purchase of 160 new stackable interlocking chairs	26
19	MV	Morrinsville recreation ground	Fenced dog park	\$50,200	Development of land into a designated fenced dog park	19
20	TA	Boyd Park/Stanley Avenue	Provide formed parking surface along Boyd Park/Stanley Avenue	Preliminary estimates: \$115,080	Cost depends on design criteria (including area to be paved) and product choice. Estimate based on use of permeable product.	13

### *Other projects considered*

Attachment A provides detail of other projects that were put forward for consideration. Some of these are to be funded from renewal or operational budgets while other issues could be addressed through non-asset solutions or simply did not meet the criteria for Bulk Funding.

### **Issues**

#### *Urgency*

The Matamata ashes wall is a project that requires prompt attention as the existing wall, in terms of non-servicemen and woman is almost full. Council charges a fee of \$305 per niche and \$155 per internment so the estimated cost of development will be offset to some extent by income received in the years ahead.

#### *Unforeseen projects*

It is recommended that the entire Bulk Fund is not allocated at this stage to allow some contingency for urgent, unforeseen events.

#### *Resources*

Council allocated additional funding towards a project support resource. The additional resource has been able to assist with scoping and feasibility work for Wairere Falls. They have also been able to complete some business cases for the new works. However there is still some capacity issue in being able to delivery projects within this financial year and Council needs to keep this in mind.

## **Analysis**

### **Options considered**

Council needs to make a decision on the scope of the projects in Table 1 and whether it needs to provide for some further funding.

Council then needs to determine whether it wishes for any of the LTP projects identified in Table 3 to be delivered in 2017-18 and funded from the Bulk Fund budget.

Council then needs to determine whether it wishes to have the highest-ranked projects in Table 4 funded and progressed this financial year.

### **Legal and statutory requirements**

There are no particular legal or statutory requirements.

### **Impact on policy and bylaws**

There is no impact on policy and bylaws.



### **Consistency with the Long Term Plan / Annual Plan**

Bulk funding for Community Facilities and Properties activities is approved through the Long Term Plan. Potential projects have been added to the list following Annual Plan deliberations.

### **Impact on Significance and Engagement Policy**

The projects are not considered significant under the Significance and Engagement Policy 2014 as they do not involve the acquisition or disposal of strategic assets.

### **Communication, consultation and decision making processes**

There is no statutory requirement for public consultation.

### **Consent issues**

Some individual projects may require building and/or resource consent. These issues are addressed in the individual business cases.

### **Timeframes**

Projects approved for the 2017-18 Financial Year should be completed by 30 June 2018. Any projects that are not completed or not likely to be completed prior to 30 June 2018 will be carried forward, together with funding to the 2018-19 year and Council updated on the reason for the delay in completion.

### **Contribution to Community Outcomes**

- 1(f) Council's services and activities will contribute to the health and wellbeing of our community/iwi
- 3(a) Council's reserves and facilities will be safe, well maintained and accessible to encourage people to use them
- 3(c) Council walking and cycling tracks will be promoted, well maintained, and developed as resources allow
- 6(c) Council will provide essential infrastructure to meet the needs of our community now and in the future

### **Financial Impact**

#### **i. Cost**

Estimated costs are included in Table 1 to 4 above and the project briefs handed out separately.

#### **ii. Funding Source**

\$128,738 of unallocated Bulk Funds is available for allocation.

## Attachments

## Signatories

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

**Potential projects suggested for bulk funding in 2017-18 that were considered and set aside**

		Location	Description	Estimate	Remarks	Staff Comment
1	TA	Te Aroha Domain Mineral Spas	Room 2 renovation	\$20,000	Lowering of floor to increase headroom	To be funded from Building Renewal Budget
2	MV	Library/office and Event Centre	Scooter racks	Unknown	Installation of scooter racks.	KVS has already ordered. Funded from KVS maintenance budget.
3	DW	District wide swim zone	New Pool inflatables	\$15,000	Purchase of new pool inflatables for use at MV and MM.	Planning to lease them instead. Cost from Operational Budget.
4	DW	District wide swim zone	New baby change tables	\$3,200	Purchase and installation of baby change tables at MM and MV swim zones.	To fund from individual operational budgets
5	MV	Morrinsville swim zone	New automatic pool vacuum cleaner	\$10,000	Purchase of a new automatic pool vacuum cleaner for the MV Swim Zone	Renewal budget
6	MV	Morrinsville swim zone	New roller door for store room	\$8,000	Installation of roller door in store room for ease of access for lane rope storage	Suggest Swim Club funds it
7	MM	Firth Tower Office	General store set up	\$8,000	Set up an old-fashioned general store in the firth Tower office	Staff score = 6. Consider operational budget and/or volunteer effort.
8	MM	Firth Tower camp ground	New power boxes	\$10,000	Installation of new power boxes for use by campervans in camping area	Not anticipated by Reserve Management Plan therefore removed.
9	MM	Firth Tower red barn	Balcony safety barrier	\$7,500	Access and safety barrier to allow people up for photos	Cost likely to exceed benefit. Easier solution is simply not to allow people up there to have

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		Location	Description	Estimate	Remarks	Staff Comment
						photographs taken.

Attachment A

## Herd of Cows Project

Trim No.: 1936273

### Executive Summary

The Morrinsville Chamber of Commerce is seeking support and approval from Council to install a further nine cows on public and private land as part of the 'Herd of Cows' Project. This involves approving five licences to occupy on public land and support towards installation similar to what was provided in 2015.

### Recommendation

That:

1. Council approve the locations set out in the attached Morrinsville Herd of Cows Proposed Location Register – August 2017 subject to engineer's approval.
2. Council considers fund allocation to install nine cows as part of the next phase of the 'Herd of Cows' project in Morrinsville estimated to be \$5,000.

### Content

#### Background

The 'Herd of Cows' Project in Morrinsville was initiated in 2014 and has successfully created a 'point of difference' for the town. The life sized, artistically painted fibreglass 'cows' within the street environment as street art has been well received by both visitors and the community. The cows are sponsored by businesses or individuals and were erected for public viewing on public and private land throughout Morrinsville in 2015.

On the 23<sup>rd</sup> May 2017, a letter was received requesting support for the next stage of the "Herd of Cows" Project which is now managed by the Morrinsville Chamber of Commerce. The new Maber Motors 'Mega Cow' has generated renewed interest in the project with a further nine cows being ready to be erected for public viewing. The Chamber of Commerce are seeking approval from Council to locate five cows on public land and financial support for Kaimai Valley Services to assist with the placement of the nine cows as previously done.

A proposed location register of the cows has been developed and is attached. If Council approve these locations, the engineers will inspect the locations and add to the existing licence to occupy agreement. Three cows will be placed into gardens and six are to be placed on existing concrete or grass surfaces. The cost is dependent on whether the cow is being mounted onto a flat concrete location or garden/grass mounted location which requires additional base preparation/reinstatement.

## Issues

Council has previously given approval to locate thirty 'Cows' on public land and provided financial support towards installation and reinstatement of public land. The Morrinsville Chamber of Commerce are requesting support for the installation of a further nine cows which is scheduled for November/December 2017.

### Location Register

The proposed locations for the 'Cows' are set out in the attached Morrinsville Herd of Cows Location Register – August 2017. This register identifies information specific to each individual 'Cow' including its proposed location, sponsor, structure and any additional comments that may be of assistance to the engineer prior to inspection.

Each location is inspected to determine:

- traffic safety and visibility
- pedestrian and scooter access on footpaths
- street cleaning – manoeuvring around the 'Cow' with the footpath cleaning machinery
- placement in areas required to be mowed
- presence or otherwise of underground services.

The proposed locations of the five cows on public land, subject to Council approval are:

- Corner of Thames and Studholme Streets
- Moorhouse Street (Rose Gardens)
- Corner of Coronation Road/Studholme Street (Coronation Road Shops)
- Thames St (near 178 Thames St in the grass area near the crossing)
- Lorne Street (near 49 Lorne St in garden by Fitness Furnishings)

The design and maintenance of each 'Cow' is managed by the Morrinsville Chamber of Commerce who ensure the:

- design for each 'Cow' is appropriate and the art work is non-offensive
- cleaning, maintenance and repair work is to a quality standard, including the repair to damage and/or graffiti removal

In addition to the register, there is a Sponsorship Agreement between each 'Cow' sponsor and the Morrinsville Chamber of Commerce. The final location of the 'Cows' are subject to engineer inspection and Council approval.

### Installation and Reinstatement Support

The Morrinsville Chamber of Commerce are also seeking financial support for Kaimai Valley Services to undertake the installation of the cows similar to what was provided in 2015. The total cost of the installation for each cow was \$466. A similar level of financial support for Kaimai Valley Services to undertake the installation is estimated at \$4,500 for the nine cows. Provision also needs to be made for the engineering inspection which is estimated at \$500. If Council does decide to provide further financial support, the total cost is estimated to be \$5,000 for the nine identified cows. This funding could be allocated from the Community Purposes Special Fund. There is currently no approved budget for this activity.

As some of the cows will be located on public land and/or near public services, if the work is not undertaken by Kaimai Valley Services, there will be Council costs associated with monitoring and inspecting the work carried out by either volunteers or external contractors.

## Analysis

### Legal and statutory requirements

Approval under section 334(1)(c) of the Local Government Act 1974 is required for each 'Cow' and its intended location.

### Impact on Significance and Engagement Policy

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

### Consent issues

The 'Cows' are exempt from requiring a building consent under Schedule 1 of the Building Act 2004.

Resource consent would not be required provided the 'Cow' did not constitute a sign under the District Plan. It is intended that the cows don't have signage or logos as part of the design. They may however, have sponsors colours or be designed to indicate the sponsors business such as pushing a shopping trolley for a supermarket sponsor.

### Timeframes

The Morrinsville Chamber of Commerce hope to have the nine cows in by Christmas - late November/early December. Some cows have been painted, others have not been started.

## Financial Impact

### i. Cost

#### Cost

Each cow will be located in a different location and costs are likely to vary from site to site. There are expected to be nine cows for installation as part of the unveiling. The most common installations will be either onto a concrete surface or into a garden/grassed area. The cost of installation and inspection for the nine cows is estimated to be \$5,000.

### ii. Funding Source

There is potential to fund this expenditure from the Community Purposes Special Fund as was done in 2015.

## Attachments

A. Morrinsville Herd of Cows Proposed Location Register - August 2017

## Signatories

Author(s)	Fiona Vessey	
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	<b>Group Manager Service Delivery</b>	
Approved by	Fiona Vessey <b>Group Manager Service Delivery</b>	



## Morrinsville Chamber of Commerce - Presentation

Trim No.: 1931763

### Executive Summary

1.00pm Nigel McWilliams (Morrinsville I-site) will be in attendance to give a proposal regarding the outcomes that the Morrinsville I-site and Council wish to achieve over the next three years and the level of funding that might sit alongside this.

### Recommendation

That:

1. The information be received.
2. The Council consider any funding request from the Morrinsville Chamber of Commerce as part of its wider deliberations following its hearing on grants on 18 October 2017.

### Content

#### Background

Council has requested as part of its review of Economic Development in preparation for the draft Long Term Plan 18-28 that the Morrinsville Chamber of Commerce is invited to Council to discuss its need for funding.

#### Issues

Council currently provides \$70,000 per financial year to the Morrinsville Chamber of Commerce, this is following a submission to the Council's 2016/17 Annual Plan which requested an increase to funding of \$20,000 to cover increased operating cost/extended hours. Prior to this the Morrinsville Chamber of Commerce received \$50,000 per financial year.

Council has also previously contributed to the construction of a new building in Morrinsville , which houses the I-site.

A copy of the current service level agreement with the Morrinsville Chamber of Commerce is attached to this report for Council's information.

### Analysis

#### Options considered

Council has the following options for its draft Long Term Plan:

- Decline to offer further funding
- Reduce the amount of funding
- Increase the amount of funding
- Maintain the current level of funding

### Analysis of preferred option

There are no preferred options – Council is considering the level of funding it should include in its draft budgets for consultation with the community in 2018 on its draft Long Term Plan.

### Impact on policy and bylaws

There are no Policy or Bylaw impacts.

### Consistency with the Long Term Plan / Annual Plan

Decisions regarding funding will be incorporated into budgets for the draft Long Term Plan.

### Impact on Significance and Engagement Policy

This matter is not considered significant – Council will also consult on the draft Long term Plan with the wider community in 2018.

### Timeframes

Council is expected to make final decisions on its draft budgets in December 2017, with auditing of the Long Term Plan in early 2018 and consultation on the Long Term Plan in March/April/May 2018.

### Attachments

There are no attachments for this report.

### Signatories

Author(s)	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
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Approved by	Manaia Te Wiata <b>Group Manager Business Support</b>	
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## Mayoral Diary for September 2017

Trim No.: 1938336

The Mayoral Diary for the period 1 September to 30 September 2017 is circulated separately.

### Recommendation

That the report be received.

### Attachments

A. Mayoral diary for September 2017

### Signatories

Author(s)	Jan Barnes <b>Mayor</b>	
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Approved by	Don McLeod <b>Chief Executive Officer</b>	
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