

Kaunihera | Council

Mēneti Wātea | Open Minutes



Minutes of an ordinary meeting of Matamata-Piako District Council held in the Council Chambers, 35 Kenrick Street, TE AROHA on Wednesday 27 September 2023 at 9.00am.

Ngā Mema | Membership

Manuhuia | Mayor

Adrienne Wilcock, JP (Chair)

Koromatua Tautoko | Deputy Mayor

James Thomas

Kaunihera ā-Rohe | District Councillors

Caleb Ansell

Sarah-Jane Bourne

Sharon Dean

Bruce Dewhurst

Dayne Horne

Peter Jager

James Sainsbury

Russell Smith

Kevin Tappin

Gary Thompson

Sue Whiting

Ngā whakapāha | Apologies

Kaimahi i reira | Staff Present

Name	Title	Item No.
Don McLeod	Chief Executive Officer	
Stephanie Hutchins	Governance Support Officer	
Kuljeet Kaur	Governance Support Officer	
Andrea Durie	Communications Team Leader	6, 7, 1
Rachel Norman	Project Delivery Lead	7.1
Bridget Mulligan	Communications Officer	6, 7.1
Chris Lee	Project Manager (Property and Community)	7.1
Todd Makeham	Parks & Reserves Operations Manager	7.1
Tamara Kingi	Community Partnerships Advisor	7.1, 7.7
Sandra Harris	Placemaking and Governance Team Leader	7.1, 7.6
Laura Hopkins	Policy Advisor	7.5
Erin Bates	Strategic Partnerships and Governance Manager	6, 7.1, 7.8, 7.9 C1

I reira | In Attendance

Name	Position/Organisation	Item	Time In	Time Out
Allison Ward	Te Aroha Business Association	6	9.00am	9.05am
Rose Carnachan	Matamata Futures	7.1	9.00am	9.26am
Shirley Gillard	Manager, Te Aroha Citizens Advice Bureau	7.3	9.26am	9.36am
Desmond Austin	IT and Stats Officer, Te Aroha Citizens Advice Bureau	7.3	9.26am	9.36am
Jaydene Kana	Chairperson, Risk and Assurance Committee	7.4	9.36am	9.38am
Graham Shortland	Project Manager, Te Aroha Spa Governance Group	C1, 7.8	10.45am	12.16pm
Norm Hill	Co-Chairperson, Te Aroha Spa Governance Group	C1, 7.8	10.45am	12.16pm

1 Whakatūwheratanga o te hui | Meeting Opening

Mayor Adrienne Wilcock welcomed members, staff and public present and declared the meeting open at 9.00am.

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

There were no apologies and no leave of absence was requested.

3 Pānui i Ngā Take Ohore Anō | Notification of Urgent Additional Business

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

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

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

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

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

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

4 Whākī pānga | Declaration of interest

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

5 Whakaaetanga mēneti | Confirmation of minutes

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That the minutes of the meeting of the ordinary meeting of Matamata-Piako District Council held on Wednesday, 23 August 2023, be confirmed as a true and correct record of the meeting.

Resolution number CO/2023/00001

Moved by: Cr S-J Bourne

Seconded by: Cr C Ansell

KUA MANA | CARRIED

6 Take i puta mai | Public Forum

Name	Position/Organisation	Topic
Allison Ward	Te Aroha Business Association	<ul style="list-style-type: none"> Spa Development Programme
<p>Summary</p> <p>Allison Ward in attendance on behalf of the Te Aroha business association to speak in support of the Te Aroha Spa Development Project.</p> <p>Te Aroha Business Association understand that there is considerable investment involved in the project and acknowledge and appreciate the efforts of Matamata-Piako District Council so far. While the project is a big goal the mountain, water and domain provide an opportunity to utilise and expand the spas (that are already busy) as a natural progression.</p> <p>Through volunteers the community have established in the town a BMX track, a dirt kart track running race days and noted the mountain bike club are enthusiastic to develop and keep growing the current tracks.</p> <p>Other highlighted projects involving the community raising funds included the Silver Fern Farms Events Centre, and previous pools project. The Te Aroha Business Association has recently completed under eave lighting project where they funded the installation of underground cables and committed to the running costs which is an investment for the town to make it safer and brighter.</p> <p>The spa project provides an opportunity to domestic tourism along with the Hauraki rail trail and walking tracks which link Matamata-Piako District as a whole.</p> <p>Allison noted that the Te Aroha Business Association would like to work with council to achieve progress and support the subcommittee to take the spa project forward in a staged approach. She thanked the councillors for providing the opportunity for Te Aroha Business Association to voice their support for the Te Aroha Spa Development Project.</p> <p>Mayor Adrienne thanked Allison (and the Te Aroha Business Association) for taking the time to come in and speak and for providing information on projects over the years that the community has been involved with.</p>		

7 Pūrongo me whakatau | Decision Reports

7.1	Matamata Domain Playground - upgrade (approval of concept)	5
7.2	Matamata Citizens Advice Bureau - Annual Report 2022/23	11
7.3	Te Aroha Citizens Advice Bureau - Annual Report 2022/23	12
7.4	Risk and Assurance Committee Report of 12 September 2023	13
7.5	Adoption of Grants Policies	14
7.6	CCO Exemption - Hauraki Rail Trail Charitable Trust	21
7.7	Appointment of Electoral Officer	25
7.8	Te Aroha Spa Project	28
7.9	Decision on next steps - Te Aroha Spa project	32

8 Ngā Pūrongo Whakamārama | Information Reports

8.1	Chief Executive Officer's Report	42
-----	----------------------------------	----

7 Pūrongo me whakatau | Decision Reports

7.1 Matamata Domain Playground - upgrade (approval of concept)

CM No.: 2761898

Te Kaupapa | Purpose

The purpose of this report is to seek Council approval of the Matamata Domain Playground upgrade concept design prior to seeking wider community feedback.

Rāpopotonga Matua | Executive Summary

Matamata Futures and Matamata-Piako District Council have entered into a Memorandum of Understanding (timeline in content below) outlining agreed tasks and management.

Rose Carnachan, of Matamata Futures, in attendance to present to the concept/report.

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That:

1. Council approve the Matamata Domain Playground upgrade concept design for wider community feedback prior to the final design phase of the project.

Resolution number CO/2023/00002

Moved by: Cr C Ansell

Seconded by: Cr J Sainsbury

KUA MANA | CARRIED

ATTACHMENTS

A BM221199_Matamata_Domain_Playground_Concept_Design_RevD

Horopaki | Background

On 8 February 2023, Council resolved in principle to allocate \$1,500,000 from the Long Term Plan 2024/25, to be used for the upgrade of the Matamata Domain playground.

Use of co-design for this project

Council are doing things differently by using a co-design approach for this project. Traditionally, Councils invest heavily in capital upgrades that do not necessarily meet community needs or aspirations. By using a co-design approach, Council staff work alongside community groups and the wider community to engage, design and deliver on what the community really want. By using this approach, Council is actively involving the community, our key stakeholders, to meet real needs.

Matamata Futures and Council have entered into a Memorandum of Understanding. Matamata Futures have committed to multiple phases of the project which includes gathering of information, assessing existing information, community engagement, preparation of concept design etc. Council have committed to tasks such as procurement, funding of \$1,500,000 and construction of the playground.

Since May 2023, workshops have been held with Matamata Futures, elected members, iwi representatives and Council staff, facilitated by Boffa Miskell.

Ngāti Hinerangi, Raukawa and Ngāti Hauā, formed a sub-committee, to provide a collective kōrero to be incorporated into the design. Although feedback has not yet been received, Boffa Miskell, who have been appointed by Matamata Futures to develop the concept design, have left the concept open for iwi feedback to be incorporated into the final design.

Representatives of Matamata Futures have also attended Matamata Domain playground to seek feedback from users, as well as local schools. The Bike Day Out provided an opportunity for Matamata Futures to survey the local community around what would be welcomed in the playground, and they disseminated these ideas to local schools for further feedback. More specifically, they received feedback from 80 boys and 108 girls from the schools, to ascertain what is important to them in their play areas as well as preference of specific equipment.

To ensure the community voice has been heard in the final design phase, further feedback will be sought on the concept to show what could be achieved with the funding committed by Council, and the fundraising from Matamata Futures. Fundraising planning is underway.

Memorandum of Understanding

Council has entered into a partnership with Matamata Futures to co-design the upgrade of the Matamata Domain Playground, with the arrangement formalised through a Memorandum of Understanding. The Memorandum of Understanding provides a shared understanding of the project and has 11 different phases led by either Matamata Futures or Council (or jointly). The project is currently at phase five (highlighted).

The high level timeline is below:

Phase one: Confirmation (Dec-Feb 23 – Council led)	Council Executive Team approval of MOU and project brief Council workshop and meeting for confirmation of specific budget, location and high level plan
Phase two: Research/Engagement/Co-design (Dec-Feb 23 – Trust led)	Information gathering Assessment of existing information Confirmation of scope Initial iwi engagement
Phase three: Testing different play options (Mar-Apr 23 – Jointly led)	Following engagement/co-design testing of different play options to explore what works well
Phase four: Concept plans (May/Jun 23 Trust led)	Preparation of concept plans based on early engagement/co-design and testing
Phase five: Council approval of concepts (July 23 Council led)	Council staff and elected member approval of concepts prior to engagement

Phase six: Engagement on concepts (Aug/Sep 23 Jointly led Council administered Trust promoted)	Engage with community to obtain feedback on potential designs Compile feedback, refine designs Engage with community regarding potential contributions
Phase seven: Design refinement (Oct-Nov 23 Trust led)	Confirm preferred design and costing, Trust, Council staff and Elected Members
Phase eight: Dec 23 (Council led)	Formal sign off by all parties to progress to Tender/procure/construction phase)
Phase nine: Fundraising May-Nov 23 (Trust led)	Fundraising and grants
Phase ten: Tender/procure Dec 23 – Jun 24 (Council led)	Procurement
Phase eleven: Construction begins July 24	Funding available Construction period

Matamata Futures Fundraising

To date, Matamata Futures, have secured funding of \$22,000 from the lottery raffle and continue to look at further funding opportunities.

Attached to this report is the concept design for consideration.

Ngā Take/Kōrerorero | Issues/Discussion

Council has agreed to fund \$1,500,000 from the Long Term Plan in 2024/25. The concept design developed exceeds what is available. Matamata Futures acknowledge that Council does not have a budget for more than what has been committed and will seek additional funding from community fundraising/donations. Should sufficient funds not be raised by procurement, the development of the park will transpire in stages.

There is currently no budget for a new toilet at the playground but the concept design allows the space for this in the future.

Mōrearea | Risk

- A full risk assessment was completed as part of the project planning phase.

Ngā Whiringa | Options

Option One – Recommendation
Description of option

Council approve draft concept design to be used for wider community feedback.	
Advantages	Disadvantages
Noting that the concept is just that, the community can respond to what they like, what they don't like and where they see gaps, before the final design is developed.	As the concept exceeds what is available in the budget, it could raise community expectation much higher to what is actually achievable (should Matamata Futures not successfully raise sufficient funds).

Option Two – Other	
Description of option	
Council provide guidance on a design that is appropriate for the upgrade.	
Advantages	Disadvantages
Potential to have a concept which is achievable with the budget allocated.	The cost of concepts has not been allowed for in Council's budget. Outlays for this service have been made and managed by Matamata Futures. The requirement of a new concept will attract additional fees and take more time to present, thereby delaying the project to progress.

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

All related legislation and policies have been considered during the project planning phase.

Local Government Act 2002 (LGA 2002) Decision-making requirements

Having regard to the decision making provisions in the LGA 2002 and Council's Significance and Engagement Policy, a decision in accordance with the recommendations is assessed as having a medium to high level of significance.

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Options are addressed above in this report.
Section 78 – requires consideration of the views of Interested/affected people	Feedback will be sought from targeted groups and the wider community. The concept plan will be available for feedback online and in person for 2 weeks.

Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The Significance and Engagement Policy is considered above. This issue is assessed as having a medium to high level of significance.
Section 82 – this sets out principles of consultation.	Consultation under section 82 is not a legal requirement. However, Matamata Futures and Council have agreed to engage on the concept design of what the community likes, what it doesn't like and whether there are any gaps.

Policy Considerations

Ngā Pāpāhonga me ngā Whakawhitinga | Communications and engagement

High level project timeframes are highlighted within this report. Key stakeholders including Iwi and the wider community have been communicated with and involved throughout the project.

Council staff have developed a project page on the Matamata-Piako District Council [website](#) which also directs the community to Matamata Futures matamatafutures.co.nz.

Community Feedback

Should the concept be approved for community feedback, Council staff, together with Matamata Futures, plan to engage with the wider community for two weeks in early/mid-October 2023. This will give the team an opportunity to engage with target groups and the wider community to gather a broader range of feedback and information to help with the final design and Matamata Futures fundraising efforts, should this be required. The team are in the midst of brainstorming some interactive activities that could be used online, as well as with the Matamata Library and/or on a 'play day' within the park.

Key Task	Dates
Concept approval	27 September 2023
Engagement period	Early/mid-October for a period of 2 weeks
Final design developed	TBD

Ngā take ā-lhinga | Consent issues

Depending on the outcome of community feedback, co-design and chosen concept, a resource consent may be required. Council staff will assist Matamata Futures with this process if required.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

The relevant Community Outcomes are set out below:

Healthy communities	Our community is safe, healthy and connected.	We encourage the use and development of our facilities.	We encourage community engagement and provide sound and visionary decision making.
----------------------------	---	---	--

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

\$3,000,000 was included in the 2021-31 Long Term Plan for Destination Playgrounds across the District; \$1,000,000 in each of 2024/25, 2025/26 and 2026/27. The Plan stated Council will look to develop at least one destination playground and, depending on cost, we may be able to have one in each of the main towns. There is no operational funding available to progress project planning prior to 2024/25.

Working in partnership with Matamata Futures can allow this project to progress through co-design and concept development phases prior to Council budget becoming available.

Forecast operational expenditure

The estimated operational costs for the proposed community playground (per the concept design) which includes one weekly inspection, are \$7,496. This cost will increase, should inspections be required to occur more frequently i.e. \$48 per inspection.

Depreciation would be based on cost of the equipment x length of life, which will be provided by the suppliers.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Tamara Kingi Community Partnerships Advisor	
Approved by	Sandra Harris Placemaking and Governance Team Leader	
	Erin Bates Strategic Partnerships and Governance Manager	

7 Pūrongo me whakatau | Decision Reports

7.2 Matamata Citizens Advice Bureau - Annual Report 2022/23

CM No.: 2774385

Te Kaupapa | Purpose

The purpose of this report is for Matamata Citizens Advice Bureau to present their annual report for the previous financial year.

Rāpopotonga Matua | Executive Summary

Jill Brookes of Matamata Citizens Advice Bureau in attendance to present to the report.

Item not Considered

Due to unavailability this item was deferred.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Kuljeet Kaur Governance Support Officer	
-----------	---	--

Approved by	Sandra Harris Placemaking and Governance Team Leader	
-------------	--	--

7 Pūrongo me whakatau | Decision Reports

7.3 Te Aroha Citizens Advice Bureau - Annual Report 2022/23

CM No.: 2775511

Te Kaupapa | Purpose

The purpose of this report is for Te Aroha Citizens Advice Bureau to present their annual report for the previous financial year.

Rāpopotonga Matua | Executive Summary

Shirley Gillard of Te Aroha Citizens Advice Bureau in attendance to present to the report.

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That:

1. The information be received.

Resolution number CO/2023/00003

Moved by: Cr R Smith

Seconded by: Cr S Whiting

KUA MANA | CARRIED

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Kuljeet Kaur Governance Support Officer	
-----------	--	--

Approved by	Sandra Harris Placemaking and Governance Team Leader	
-------------	---	--

7 Pūrongo me whakatau | Decision Reports

7.4 Risk and Assurance Committee Report of 12 September 2023

CM No.: 2774807

Te Kaupapa | Purpose

The purpose of this report is to provide Council with an update from the Risk and Assurance Committee following its 12 September 2023 meeting.

Rāpopotonga Matua | Executive Summary

Risk and Assurance Committee Chairperson, Jaydene Kana, in attendance to update Council on the committee business and provide an overview of the minutes and any recommendations from the Risk and Assurance Committee meeting held on 12 September 2023.

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That:

1. The information be received.

Resolution number CO/2023/00004

Moved by: Cr G Thompson

Seconded by: Cr S-J Bourne

KUA MANA | CARRIED

Ngā Tāpiritanga | Attachments

- A. MPDC - RAC - Chairperson Report - 12 September 2023

Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins Governance Support Officer	
-----------	---	--

Approved by	Erin Bates Strategic Partnerships and Governance Manager	
-------------	--	--

7 Pūrongo me whakatau | Decision Reports

7.5 Adoption of Grants Policies

CM No.: 2763562

Te Kaupapa | Purpose

The purpose of this report is to seek Council resolution to adopt the following:

- Multi and Single-Year Community Grants Policy;
- Natural, Cultural and Built Heritage Grant Policy;
- Mayoral Fund Policy.

Rāpopotonga Matua | Executive Summary

Council has recently completed a review of its community grants in line with the Long-Term Plan project. The policies have been updated to incorporate Council preference and recommended changes from staff who administer the Policies.

Council are asked to approve the new Mayoral Fund Policy to come into force 1 January 2024. Proposed amendments to the Multi and Single-Year Community Grants Policy (including the incorporation of the District Events Grant criteria), and the Natural, Cultural and Built Heritage Grant Policy would come into force 1 July 2024.

Draft copies of these policies have been included within the agenda, tracked changes versions have been included under separate cover.

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That:

1. The information be received.
2. Council adopt the new Mayoral Fund Policy, to apply from 1 January 2024.
3. Council approve the amendments to the Multi and Single-Year Community Grants Policy (including the incorporation of the District Events Grant criteria) and adopt the Policy, to apply from 1 July 2024.
4. Council delegate decision making for the Single-Year Community Grants to a Grants Committee consisting of one elected member per ward, to apply from 1 July 2024.
5. Council approve the amendments to the Natural, Cultural and Built Heritage Policy and adopt the Policy, to apply from 1 July 2024.

Cr P Jager and Cr R Smith, Cr K Tappin voted against clause 4 of the motion and wished their vote to be recorded.

Resolution number CO/2023/00005

Moved by: Cr B Dewhurst

Seconded by: Cr S Whiting

KUA MANA | CARRIED

Horopaki | Background

A review has been completed of Council's community grants policies. This is generally undertaken every three years in line with the Long Term Plan project.

Ngā Take/Kōrerorero | Issues/Discussion

Council are asked to approve the Policies in line with recommended changes. These are:

Multi and Single-Year Community Grants Policy

- Aligning focus of grant criteria around realising Council's vision and community outcomes;
- Removal of secondary criteria; requiring funding requests to meet a number of the criteria;
- Allocation of single-year grants to move to a grants committee consisting of one elected member from each ward;
- Incorporating events criteria from the District Events Grant and combining into one grant to be administered by the grants committee – therefore removing the standalone District Events Grant from 30 June 2024;
- Providing guidance to applicants of the average grant amount allocated.

Natural, Cultural and Built Heritage Grant Policy

- The Policy has been amended following feedback from staff who are delegated to administer the Policy. The changes include the following:
 - The structure has been updated to improve readability and assist decision makers.
 - Prioritising funding consideration for buildings/areas that have formal heritage protection, noting that trees must have formal protection under Matamata-Piako District Council's District Plan.

Mayoral Fund Policy

This policy has been created to provide a framework for decision making in relation to the Mayoral Fund. The proposed policy provides guidance about what will be funded. Applications will be considered where they meet one or more of the following criteria:

- assist an individual or group with the development and/or implementation of a project, scheme or initiative to help benefit Matamata-Piako
- contribute towards the cost of an individual or group attending a sporting, cultural or other major event at which they are representing Matamata-Piako
- provide assistance and/or donation to any cause which merits the involvement of the Council and/or is able to provide a direct or indirect benefit for Matamata-Piako
- contribute towards an unfunded project or event which is of benefit to Matamata-Piako
- the Mayor also has discretion for funding as covered in council's Sensitive Expenditure Policy.

Mōrearea | Risk

Staff have identified the following risks in relation to this review and proposed outcomes:

- Review of grants may result in changes (for example to criteria) and lead to uncertainty for community groups who receive regular funding in accordance with the current policies. To mitigate this, staff will provide guidance to applicants, directing them to external funding that may be available if applicable. They will also make contact with previous District Event Grant recipients to advise them of the changes that will apply from 1 July 2024 (the events grant is proposed to be incorporated into the Single-Year Grants funding).

- Moving to a grants committee to decide on single year grants funding may result in uncertainty for applicants (they are familiar with the current format of ward Councillors making the decisions, during meetings in each of the three main towns).
- Moving to a grants committee to decide on single year grants funding may result in a reduced connection with community groups. This may be mitigated by connecting in other forums.

Ngā Whiringa | Options

The following options are available to Councillors

1. Do not adopt the Policies. This means that the current Policies will apply and amendments as suggested by staff will not be included. Changes (including moving towards a grants committee will not be enacted and the Mayoral Fund will remain as is with no policy to guide decisions).
2. Adopt the Policies as attached.
3. Adopt the Policies with further amendments.

Option One – Status Quo	
Description of option	
Council could choose not to adopt the Policies as drafted.	
Advantages	Disadvantages
<ul style="list-style-type: none"> • The Policies are familiar to community/grant applicants and elected members. 	<ul style="list-style-type: none"> • Changes, including delegating the funding decisions for the single year grants to a grant committee will not be enacted and the Mayoral Fund will remain as is, with no policy in place to guide decisions. • Updates to the Natural, Cultural and Built Heritage Grant will not be made, including the consideration for buildings/areas to have formal protection and the requirement for trees to be formally protected. The proposed clause means Council's investment is more likely to be protected/sustainable for the future.

Option Two – Adopt the Policies as drafted	
Description of option	
Council could choose to adopt the Policies as drafted.	
Advantages	Disadvantages
<ul style="list-style-type: none"> • The suggested changes reflect Council preference and staff recommendations to assist in decision-making. • The Mayoral Fund will have a framework to help to guide decision-making. • Moving to a grants committee to assess and decide on applications for single-year grants will streamline the process, and 	<ul style="list-style-type: none"> • Moving to a grants committee to decide on single year grants funding may result in uncertainty for applicants (regarding the changed process). • Having a grants committee means that local community groups may not always be able to attend the decision-making meetings. • Moving to a grants committee to decide on

<p>require less time/resources to administer.</p> <ul style="list-style-type: none"> • Having a grants committee will allow for a district wide view of grants funding and how the funding granted is helping Council to realise its vision and community outcomes. • Having a grants committee allows for the Te Toa Horopū ā Matamata-Piako/Maori Ward Councillor to contribute to decision-making. 	<p>single year grants funding may result in a reduced connection with community groups.</p>
---	---

Option Three – Adopt the Policies as drafted

Description of option

Council could choose to adopt the Policies as drafted with further amendments.

Advantages

- If Council identify any further changes that are required, this can be directed to staff to make the changes accordingly. If more significant changes are requested, staff will bring the decision back to Council at the next meeting.

Disadvantages

- This may cause a delay in adopting the Policies.

Recommended option

Staff recommend option 2 – Council adopt the Policies as drafted or option 3 – Council adopt the Policies with minor amendments if required.

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

Local Government Act 2002 (LGA 2002) Decision-making requirements

Having regard to the decision-making provisions in the LGA 2002 and Council's Significance and Engagement Policy, the decisions associated with this report have been assessed as having a low level of significance. This decision has been made, given that the changes suggested are relatively minor, and do not affect a wide range of people. (e.g. the criteria suggested for allocation of funding is not significantly different to the current Policies, and therefore unlikely to affect the outcome of funding decisions. If more significant updates were made that would likely affect decision-making meaning funding would be likely declined for certain groups, then the level of significance may be higher).

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Options are addressed above in this report.

Section 78 – requires consideration of the views of Interested/affected people	<p>Council is not required to undertake a consultation process in relation to this report, however must give consideration to the views and preferences of persons likely to be affected by, or to have interest in, the matter.</p> <p>Council's Governance team (alongside other relevant teams within Council) are responsible for administering the grants process. Feedback from groups who have received funding has been positive, with community groups appreciative of being able to speak to Councillors about their funding application. Therefore, it is considered that it will be important to retain this, and consider accessibility (e.g. offer applicants the option of phoning/videoing in to the meetings).</p>
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	<p>The Significance and Engagement Policy is considered above.</p> <p>This issue is assessed as having a low level of significance.</p>
Section 82 – this sets out principles of consultation.	<p>Staff do not recommend consultation as the changes proposed are minor, and the matter has been assessed as of low significance.</p>

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Following the decision and adoption of the Policies, Council staff will write to applicants who have previously applied for District Events funding to advise them of the changes.

The following Policy will apply from 1 January 2024:

- Mayoral Fund Policy

The following Policies will apply from 1 July 2024.

- Multi and Single-Year Community Grants Policy
- Natural, Cultural and Built Heritage Grant Policy

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

The relevant Community Outcomes are set out below:

The Policies provide a framework to assist in decision-making for Council's community grants. The provision of funding supports the realisation of Council's community outcomes.

Connected Infrastructure	Infrastructure and services are fit for purpose and affordable, now and in the future.	Quality infrastructure is provided to support community wellbeing.	We have positive partnerships with external providers of infrastructure
---------------------------------	--	--	---

			to our communities.
Economic opportunities	We are a business friendly Council	Our future planning enables sustainable growth in our District.	We provide leadership and advocacy is provided to enable our communities to grow.
Healthy communities	Our community is safe, healthy and connected.	We encourage the use and development of our facilities.	We encourage community engagement and provide sound and visionary decision making.
Environmental Sustainability	We support environmentally friendly practices and technologies.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs	We engage with our regional and national partners to ensure positive environmental outcomes for our community.
Vibrant Cultural values	We promote and protect our arts, culture, historic, and natural resources	We value and encourage strong relationships with Iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ ancestral heritage.	Tangata Whenua with Mana whenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.

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

The review of Council's grants policies has been funded within the Strategies and Plans budget.

Ngā Tāpiritanga | Attachments

- A. Draft Mayoral Fund Policy 21.8.23
- B. Draft Multi and Single-Year Community Grants Policy 2023
- C. [Draft Multi and Single-Year Community Grants Policy - Tracked Changes 2023.DOCX](#)
(Under Separate Cover)
- D. Draft Natural, Cultural and Built Heritage Grant Policy 2023
- E. [Draft Natural, Cultural and Built Heritage Grant Policy - Tracked Changes 2023](#) (Under Separate Cover)

Ngā waitohu | Signatories

Author(s)	Laura Hopkins Policy Advisor	
	Sandra Harris Placemaking and Governance Team Leader	

Approved by	Erin Bates Strategic Partnerships and Governance Manager	
	Don McLeod Chief Executive Officer	

7 Pūrongo me whakatau | Decision Reports

7.6 CCO Exemption - Hauraki Rail Trail Charitable Trust

CM No.: 2770626

Te Kaupapa | Purpose

The purpose of this report is to seek Council determination as to whether the Hauraki Rail Trail Charitable Trust (Trust) exemption from being a Council Controlled Organisation (CCO) under the Local Government Act 2002 (LGA) is still appropriate.

Rāpopotonga Matua | Executive Summary

The Hauraki Rail Trail Charitable Trust (Trust) is the Governance entity for the cycleway known as the Hauraki Rail Trail (HRT). Currently the Trust is responsible for developing, managing and promoting the HRT, which is part of the New Zealand wide network of cycleways branded as Nga Haerenga.

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That:

1. The report be received.
2. Council resolve it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provisions of Section 79 of that Act determines that it does not require further information prior to making a decision on this matter.
3. Council grant the Hauraki Rail Trail Charitable Trust an exemption from the Council-Controlled Organisation requirements of the Local Government Act 2002 under section 7(3) of that Act.

Resolution number CO/2023/00006

Moved by: Cr K Tappin

Seconded by: Cr S-J Bourne

KUA MANA | CARRIED

Horopaki | Background

CCO status

Section 6 of the LGA defines a CCO as an entity in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons:

- control, directly or indirectly of 50% or more of the votes at any meeting of the members or controlling body of the entity; or
- the right, directly or indirectly to appoint 50% or more of the trustees, directors, or managers (however described) of the entity.

The Hauraki, Matamata-Piako and Thames-Coromandel District Councils are settlors to the Trust Deed and the Trust fits the legal definition of a CCO as defined in the LGA because the councils indirectly control 50% of the votes at the Trust meetings. In accordance with the Trust Deed there must be between three and six Trustees on the Board of the Trust. Each Council has appointed a

Trustee and local Iwi have appointed three, where those Iwi have mana whenua status over the path of the HRT.

In 2011 it was recommended by the now disbanded Hauraki Rail Trail Joint Committee (Matamata-Piako, Thames-Coromandel and Hauraki District Councils) that the Trust be treated as an exempt CCO. Council granted the Trust an exemption from the CCO requirements of the LGA on 14 December 2011, 12 November 2014, 8 November 2017 and 28 October 2020. Under section 6(4)(i) of the LGA this means that the Trust is currently operating as a Council Organisation (CO), not a CCO.

Pursuant to section 7(6) of the LGA any decision to grant an exemption is required to be reviewed within three years after it is granted. Council is therefore required to consider the exemption and whether this should continue for another three years prior to 28 October 2023.

CCO requirements under the Local Government Act, 2002

Part 5 of the LGA (sections 55 to 74 and Schedules 8 and 9) outlines the requirements for CCOs. These requirements include half yearly and annual reporting obligations and a requirement to prepare a statement of intent.

Ngā Take/Kōrerorero | Issues/Discussion

Council needs to consider if the reasons for granting the Trust an exemption from the requirements of a CCO are still valid. Pursuant to section 7(3) of the LGA, Council may exempt a CCO from the requirements generally imposed on CCOs provided that they first consider the factors listed in section 7(5) of the Act.

Those factors are:

- the nature and scope of the activities provided by the CCO; and
- the costs and benefits of granting the exemption to Council, the CCO and the community.

Nature and Scope of Activities (s7(5)(a))

The nature and scope of the Trust's activities are set out in its Trust Deed. Section 5.1 of the Trust Deed states that '*the Board shall hold the Trust Fund on Trust for the charitable purpose of providing benefits to the communities within the Region by operating, maintaining, repairing, developing and facilitating the use and enjoyment of the Cycleway*'.

This includes:

- leasing and/or licensing land from any of the Settlers or any other party for use by the Cycleway;
- developing and constructing extensions and additions to the Cycleway including, without limitation; an extension to the Cycleway from Kaiaua to Kopu; and additions and detours from the Cycleway to sites of interest close to the Cycleway;
- maintaining all of the Cycleway;
- ensuring that the Cycleway is developed and maintained to the standard required for it to be included in the Nga Haerenga/National Cycleway network;
- raising funds to carry out and complete any of these charitable purposes.

Costs and Benefits (s7(5)(b))

The CCO regime would impose costs on the Trust arising from:

- the time and costs associated with forming a Council Controlled Organisation by way of the special consultative procedure; and
- ongoing administration and additional reporting costs.

The question that therefore needs to be considered is whether these costs outweigh the potential benefits for Council in requiring the Trust to comply with the CCO regime.

These potential benefits are:

- receiving an annual Statement of Intent and additional financial reporting as outlined in the LGA; and
- the democratic benefit of providing for public consultation in relation to the Trust becoming a CCO.

Because the range of activities undertaken by the Trust is relatively narrow and limited to governance of the HRT, and there are several reporting and monitoring mechanisms already in place, both of these benefits are available to the Council without the costs and time delays associated with the CCO regime.

In addition to this, consultation was undertaken by Council prior to agreeing to the establishment of the Hauraki Rail Trail and by Hauraki District Council as part the process to designate the Hauraki Rail Trail under the Resource Management Act 1991.

Ngā Whiringa | Options

Council could:

- decline to continue the exemption of the Trust from CCO status under the LGA; or
- continue the exemption of the Trust from CCO status under the LGA.

Council will need to consider if the rationale provided by the Hauraki Rail Trail Trust Joint Committee for the Trust exemption from the CCO regime is still valid.

The rationale for continuing the exemption is set out below:

- The requirements imposed on CCOs under the LGA are relatively onerous for the Trust given its size and scope of operation;
- The Trust can be subject to sufficient Council oversight and control outside the CCO regime under the terms of the Trust Deed and Hauraki District Council's Management Agreement;
- The Trust has neither the funds nor the responsibilities that necessitate the reporting or consultation requirements imposed on CCOs;
- There will be financial benefits and few, if any, costs to the local authority and the community in continuing the exemption;
- The Trust is a charity, and may become dependent upon the Councils (and therefore the community) to meet the costs of the CCO requirements;
- The Trust will not be in a position to meet the reporting requirements attaching to statements of intent without professional assistance, creating further costs, and those costs will outweigh any reporting benefits because of the small size of the organisation and it's not for profit basis;
- The Trust provides financial reports to the Charities Commission in order to maintain its status as a charitable organisation and those reports must also be provided to the Councils and to local Iwi upon request so there is still public transparency regarding its financial position; and

In the event that the Trust's operations change over time, the Councils may revoke its status as an exempted organisation.

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

The legal requirements under the LGA have been outlined above in this report. In order for the Trust to be exempted from CCO status under section 7(3) of the LGA, Council must grant the exemption by resolution.

Under the Council's Significance and Engagement Policy, a decision in accordance with the recommendation(s) is not considered to have a high degree of significance.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Council undertook extensive consultation prior to contributing funding to the Hauraki Rail Trail and Hauraki District Council undertook consultation in obtaining a designation over the rail corridor for the trail under the Resource Management Act 1991. No further consultation has been undertaken with the community on this matter.

Both Hauraki and Thames-Coromandel District Councils have reports seeking exemptions going to their Council meetings. It is anticipated that these exemptions will be granted by the respective Councils.

If Council resolves to extend the CCO exemption this will mean that the Trust's exemption will be reviewed again by all councils in 2026. The Trust will be advised in writing of Council's decision.

Council must resolve whether to continue the CCO exemption prior to 28 October 2023.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

The relevant Community Outcomes are set out below:

Healthy communities	Our community is safe, healthy and connected.	We encourage the use and development of our facilities.
----------------------------	---	---

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

Should Council require the Trust to meet the requirements for CCOs under the LGA, it is anticipated that further discussions would be required with the Trust on the cost of meeting these requirements.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Sandra Harris Placemaking and Governance Team Leader	
Approved by	Erin Bates Strategic Partnerships and Governance Manager	
	Manaia Te Wiata Group Manager Business Support	

7 Pūrongo me whakataua | Decision Reports

7.7 Appointment of Electoral Officer

CM No.: 2769762

Te Kaupapa | Purpose

The purpose of this report is to advise Council of the appointment of Electoral Officer, Warwick Lampp, of Electionz.com Limited.

Rāpopotonga Matua | Executive Summary

In accordance with Section 12 of the Local Electoral Act 2001 (the Act), Councils must have an Electoral Officer (EO) appointed at all times. An EO, unless he or she dies, resigns, is dismissed from office, or becomes incapable of acting, remain in office until his or her successor comes into office. A Contract of Service has been signed with Warwick Lampp of Electionz.com Ltd to the EO position who will fulfil the role for a period of three years, with the option to extend to an additional three year term.

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That:

1. The information be received.
2. Council confirms the appointment of Warwick Lampp, of Electionz.com Limited, as Council's electoral officer in accordance with Section 12 of the Local Electoral Act 2001.

Resolution number CO/2023/00007

Moved by: Cr R Smith

Seconded by: Cr S Whiting

KUA MANA | CARRIED

Horopaki | Background

In accordance with Section 12 of the Local Electoral Act 2001 (the Act), Councils must have an Electoral Officer (EO) appointed at all times. An EO, unless he or she dies, resigns, is dismissed from office, or becomes incapable of acting, remain in office until his or her successor comes into office.

Matamata-Piako District Council signed a contract of service with Electionz.com Limited, appointing Warwick Lampp as EO. The contract commenced 1 September 2023, and will be in effect until 31 August 2026, with an option to extend an additional three year term.

The next triennial general election will be held on Saturday, 11 October 2025.

Options considered

There are a number of options available to manage local elections including completely managing most aspects of the election using internal resources to appointing/contracting an external EO and only performing administrative/public facing roles locally (nominations, special votes etc.). There are advantages and disadvantages to both approaches.

Proposals were sought from companies to provide elections support. Following this procurement process Council staff accepted a proposal by Warwick Lampp, of Electionz.com Limited, to provide election services for the local body elections in 2025.

Benefits to Council of appointing Warwick Lampp, of Electionz.com Limited as its EO are to:

- fully utilise the considerable experience and knowledge of the company in electoral matters and provision of a service independent of Council;
- be able to respond quickly to electoral queries (from the council, candidates and the public generally) without the need to go elsewhere for answers or guidance;
- be able to respond to and communicate authoritatively with the media on any electoral matter or concern; and
- manage any operational electoral issues that may arise and deal with these expediently.

Ngā Take/Kōrerorero | Issues/Discussion

The Electoral Officer has appointed Tamara Kingi, Council's Community Partnership Advisor, as the Deputy Electoral Officer.

Section 14 of the Act requires declarations to be made by both the EO and the DEO, to carry out the duties of the role in accordance with the Act. The EO and DEO must not exercise any powers under the Act or Regulations unless they have made a declaration and the declaration is current. This applies to all electoral officials. Declarations for the 2025 election must be signed by 1 February 2025 and will remain in effect for three years (31 January 2028) unless ended by dismissal or resignation.

The EO is also responsible for keeping returns of donations and expenses in the EO's office, or other place appointed by the local authority chief executive, for seven years, and to make them publicly available for inspection.

The territorial authority EO is the EO for any licensing trust in its area (Sale and Supply of Alcohol Act s310). There is currently no licensing trust in this area.

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

Appointment of the EO

It is important for Council to note that Section 14(1) of the Act provides that, once appointed, the EO, DEO and other electoral officials are not subject to the direction of the Council in the exercising of powers or the carrying out of duties. This means the duties are carried out independently of Council to prevent any intervention in the electoral process. Candidates for election cannot be appointed or act as electoral officials.

Section 14(5) of the Act provides that the Chief Executive of a Council must not be appointed as an EO, DEO or an electoral official unless the local authority is satisfied that no other course of action is reasonably practicable in the circumstances.

Apart from the above requirements, there are no other restrictions on the appointment of an EO. The appointee may be a Council officer but does not have to be.

The EO is not required to be a Council officer, nor must they perform all electoral functions themselves. Legislation also allows an EO to delegate almost any role or power to another person but must retain overall responsibility.

General Duties and Responsibilities of an EO

Section 15 of the Act states the general duties and responsibilities of an EO as:

- the compilation and certification of electoral rolls;
- the publication of any public notice relating to elections and polls and the calling of nominations, required to be given;

- receiving nominations, candidate profile statements, and deposits required to be paid;
- issuing and receiving ordinary and special votes and other official documents;
- the processing and counting of votes;
- the declaration of results;
- receiving returns of electoral expenses; and
- investigating possible offences and reporting alleged offences to the police.

Other non-statutory tasks include reporting to the local authority on electoral matters, including post-election reports, and providing statistical and other information on elections and polls to the Department of Internal Affairs.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Waikato Regional Council will be advised of Council's appointment decision.

Timeframes

Key Task	Dates
Council must have an EO in place at all times.	1 September 2023 – 31 August 2026 (with an option of an additional three years).

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

Funding for the elections is provided through the Long Term Plan. The current available budget for the triennial elections is \$165,000, with \$55,000 funded each year.

The budget will be spent on costs relating to the EO (external service provider), advertising and third party costs including, but not limited to, printing, mail processing and insurance. Some election costs will be shared with the Waikato Regional Council.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Tamara Kingi Community Partnerships Advisor	
Approved by	Sandra Harris Placemaking and Governance Team Leader	
	Erin Bates Strategic Partnerships and Governance Manager	

7 Pūrongo me whakatau | Decision Reports

7.8 Te Aroha Spa Project

CM No.: 2774765

Te Kaupapa | Purpose

The purpose of this report is to provide Council with an update on the Te Aroha Spa Project.

Rāpopotonga Matua | Executive Summary

The market outreach stage of the capital raising process concluded early in August. At that point no potential investor had been hooked or was necessarily committing to take the process further. Nevertheless, several parties had provided good quality feedback and/or expressed a general level of 'subject' interest – defined as engaged. To be thorough, at least 2 of the parties notionally appeared to deserve further engagement to explore their situations further. Council approved further work to engage with the appropriate parties.

From the further engagement 2 parties have signalled their interest in this opportunity as an investment and wish to visit Te Aroha in October to progress their thinking and gain further understanding of the town and the location. Due to commercial sensitivities, their identities cannot be made public at this time. However, we can say that these are both prominent players in the hot pool/spa and leisure sector who have the right credentials. From the capital raising process, obtaining 1 or more interested party was the key deliverable.

Tūtohunga | Recommendation

That:

1. Council progress the investor process with the two interested parties; confirming their visits and carry out any appropriate process support
2. Council approve from the Te Aroha Spa Reserve up to \$40,000 for provision of project management and governance to end of December 2023 and an additional \$40,000 contingency to facilitate investor party interest.

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That:

1. Council ask the Governance Group to progress the investor process with the two interested parties; confirming their visits and carry out any appropriate process support.
2. Council approve from the Te Aroha Spa Reserve up to \$40,000 for provision of project management and governance to the end of June 2024.
3. Council request the Project Manager to provide an update on 13 December 2023.

Cr P Jager voted against clause 2 of the motion and wished for his vote to be recorded.

Resolution number CO/2023/00008

Moved by: Cr J Sainsbury

Seconded by: Cr K Tappin

KUA MANA | CARRIED

Horopaki | Background

In the report submitted for the 23 August Council meeting, the recommendation was that we should progress further engagement with specific parties where it was seen that the position was somewhat inconclusive but not without some prospects. It was resolved to progress further engagement with specific parties to create as much clarity as possible for Council to make a decision about the project's future at the 27 September meeting.

Ngā Take/Kōrerorero | Issues/Discussion

Following further engagement, 2 parties have emerged expressing an interest in the project and a desire to explore things further. One of these parties (Party A) could be described as a corporate with investments and interests in the hot pool, spa and leisure sector who have an equity partner alongside them. The other party (Party B) could be described as private owner/operator of a hot pool, spa and wellness business who through business partners has the potential to bring investment equity to a project.

Both these parties would like visit Te Aroha in October to develop their thinking around the opportunity further and gain a deeper understanding of the town and location. This is basic due diligence by the parties following which we will have a clearer idea of how/if they would like to continue some form of process/engagement.

The key people from Party A have not been to Te Aroha so their knowledge of the town and location/Domain is quite limited. Nevertheless, they have expressed that they're interested in the opportunity and at least 2 people would travel from Australia to do the visit. Party A are the operators of at least 1 hot pool/wellness business in New Zealand. They currently have a large hotel under development in the North Island and a hotel project in Queenstown with a broader portfolio of leisure businesses. Party A's interest would be as an operator/lessor of a new facility with their equity partner providing the investment equity. Equity partner are experienced accommodation developers/investors and are dependent on Party A's insights and leading any project.

Part B knows Te Aroha reasonably well and has some prior knowledge of the project. Part B would progress the opportunity in conjunction with other partners who can bring investment equity. Part B and his associates are very experienced owners and operators of hot pool/spa/wellness business in New Zealand. Party B is proposing to visit Te Aroha with a range of business associates who would be involved in decision making.

Both parties have noted that Te Aroha is lacking in the right type of accommodation facilities at this time and are interested in understanding potential future options during their respective visits. Both also have a different view/vision as to a new facility's scale up and offering of experiences compared to the concept shown in the investment prospectus that arose from the Options Assessment work.

The proposed visits in October are probably best described as scoping visits for each interested party to explore things further. They would then take the learnings away and subsequently signal where their interest is then at and how they'd like to proceed from that point, assuming either or both are interested in continuing a process.

Given that obtaining interest in the spa development project from 1 or more parties was the key deliverable from the capital raising process, now having got the level of interest we have, proceeding with the proposed visits and any supporting activities seems important and in line with the overall objective of the capital raising process.

It would be important that an appropriate programme be developed in conjunction with each party for their visit, including interaction with Council at Mayoral and senior executive level.

Mōrearea | Risk

The predominant risk is not securing a satisfactory investment deal to carry the project forward.

Ngā Whiringa | Options

1. Confirm the visits proposed by the interested parties and carry out any appropriate process support
2. Bring the process/project to an end

Recommended option

The Project Governance Group recommends Option 1 above.

If Council decides to discontinue the process it is suggested that consideration be given to next steps and public communications.

The 2021 – 2031 Long term Plan includes budget provision for the spa development project. Significant departure the LTP may trigger a consultation process and/or public communications.

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

The project is aligned to the LTP as development funding has been provided for in the LTP.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

The MPDC communications team monitor the project's progress and will provide updates through the usual channels at the appropriate times.

Ngā take ā-lhinga | Consent issues

N/A

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

The project received strong support going into the 2021 LTP process. The potential for economic development, greater social cohesion, improved cultural and environmental outcomes were key themes identified in the original Feasibility Study.

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

The operating cost for governance and management for October to December inclusive is estimated to be from \$30,000 to \$40,000 depending on the level of traction we get with the interested parties. The lower estimate assumes a level of activity in October responding to the proposed visits by the 2 interested parties and then a moderate level of activity through November and December assuming there is an ongoing process with 1 of the interested parties.

Recommendation is to provision \$40k so there is some contingency in the event that activity intensifies due to meaningful processes with an investor party. If an investment is taking shape Council will need to consider additional budget for eventual transaction completion.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Graham Shortland Project Manager - Te Aroha Spa Development	
-----------	---	--

Approved by	Graham Shortland Project Manager - Te Aroha Spa Development	
-------------	---	--

Item 7.9 considered after Item C1.

7 Pūrongo me whakatau | Decision Reports

7.8 Decision on next steps - Te Aroha Spa project

CM No.: 2768116

Te Kaupapa | Purpose

The purpose of this report is to seek Council determination on next steps for the Te Aroha Spa project.

Rāpopotonga Matua | Executive Summary

Following initial Provincial Growth Funding (PGF) towards investigating options to reinvigorate the Te Aroha spa complex offering, Council provided \$18m in the 2021-31 Long Term Plan (LTP) towards the construction of an expanded Te Aroha Spa complex offering. A Project Governance Group was appointed alongside an independent contracted project manager. The project has undergone a number of investigative stages as detailed in the Te Aroha Spa report authored by Project Manager Graham Shortland; also in this agenda.

Council are asked to consider the next steps in relation to this project; including any provision to be provided for in the 2024-34 Long Term Plan.

Tūtohunga | Recommendation

That:

1. The information be received

Project next steps

That:

2. Council:

- a) Pause the Te Aroha Spa Development project until economic and market conditions improve

AND/OR

- b) Refine the current Te Aroha Spa opportunity and consider additional analysis to reflect market feedback provided to date

OR

- c) Reduce the scale of the proposed Spa Development to a level that Council can self-fund (or allow for commercial partners to be involved)

AND/OR

- d) Re-engage with Crown to explore funding options (post-election)

AND/OR

- e) Request that Options for improvements to the existing Te Aroha Spa facility be included the 2024-34 Long Term Plan; including an investigations and capital budget.

Tūtohunga | Recommendation

Instruction to Project Governance Group

That:

3. Council:

- a) Direct the Project Governance Group to advance the Te Aroha Spa project or in a further phase (in line with 1(b), (c) and/or (d), and provide this to the October Council meeting;
- b) Thank the Project Governance Group and Project Manager for their contribution to the project to date, and advise that work on the project in its current form will cease as of 30 September 2023

Tūtohunga | Recommendation

Further use of Te Aroha Spa Development Reserve

That:

4. Council:

5. Direct that the remaining balance of Te Aroha Spa Development Reserve be transferred back to the general purposes reserve.

OR

6. Direct that monies from the existing Te Aroha Spa Reserve (as per recommendation option 1e) be considered in year 1 of the 2024-34 Long Term Plan for the purposes of investigating alternative options for the Te Aroha Spa Complex and year 2 and 3 of the 2024-34 Long Term Plan as capital funding towards an alternative option identified in the Year 1 investigations.

7. Council:

a) Prioritise implementation of the Te Aroha (Pride of Place) Place Plan (pending) for implementation; including the establishment of a Te Aroha Community Forum

AND/OR

b) Consider inclusion of monies from the existing Te Aroha Spa Reserve in year 1 of the 2024-34 Long Term Plan for the purposes of a detailed Domain Master Plan and/or Destination Management Plan.

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That:

1. The information be received.

Resolution number CO/2023/00009

Moved by: Cr J Sainsbury

Seconded by: Cr K Tappin

KUA MANA | CARRIED

Horopaki | Background

In 2017 Council received funding from the Provincial Growth Fund to investigate Te Aroha's tourism potential.

The study showed that Te Aroha is well located and has a range of natural, historical and cultural assets with significant tourism potential.

Council put forward a proposal to the Provincial Growth Fund for government to invest in the development of this spa. The application was not approved.

Development of the Te Aroha Spa was included in the 2021-31 Long Term Plan. The funding was allocated as follows:

Project	2021/22	2022/23	2023-24	2024-31
Development of Spas - Physical works	2,000	7,000	8,381	-

Details of the LTP spa proposal, as publically consulted on in 2021 can be accessed here:
<https://www.mpd.govt.nz/long-term-plan/things-we-think-we-should-focus-on/te-aroha-spa>

Project updates can be accessed here:

- <https://www.mpd.govt.nz/projects/te-aroha-domain>
- <https://www.mpd.govt.nz/projects/te-aroha-domain/past-updates-te-aroha-spa-project>

The key project documents e.g. Business Case has been made publicly available.

The Annual Plan 2023-24 (adopted by Council 28 June 2023) provided an update on the changes from the LTP:

Project	LTP 2023/24 (\$000)	Annual Plan 2023/24 (\$000)	Explanation of significant variances to the original Long Term Plan budget
Development of Spas - Physical works	8,381	-	Awaiting outcome of the Spa development decision

A Project Governance Group (PGG) was formed in April 2020 with a key role to further investigate the potential of the project and oversee the project's progress and strategic direction.

Over the past three years the project has moved through a number of stage gates and is now at a point where a decision is required on the future of project alongside any considerations for the 2024-34 LTP.

Ngā Take/Kōrerorero | Issues/Discussion

There are a number of core areas where Council determination is required to provide clarity on the project's trajectory moving forward.

(1) Project next steps

In considering all of the information provided, Council decision making is sought on the next steps for the project; including the following options (singularly or in combination):

- a) Te Aroha Spa Development project be paused until economic and market conditions improve

Council would need to consider a time period in which to revisit the project; alongside what conditions would make it "right" to revisit

- b) Refine the opportunity and consider additional analysis to reflect market feedback provided to date

The potential benefits of this approach would need to be considered alongside the additional cost in project management, governance and contractor support.

- c) Reduce the scale of the proposed Spa Development to a level that Council can self-fund (or allow for commercial partners to be involved)

Council would need to again, consider what cost resource level and timeframe it was comfortable with

- d) Re-engage with Crown to explore funding options (post-election)
- e) Options to add value to the existing Te Aroha Mineral Spa facility
This option would require investigation budget, and capital budget for the project delivery in the 2024-34 Long Term Plan.

(2) Instruction to Project Governance Group

Determination on the future of the Project Governance Group is required to provide certainty to members moving forward. Council may consider:

- (a) Directing the Project Governance Group to advance the Te Aroha Spa project or in a further phase (in line with 1(b), (c) and/or (d), and provide this to the October Council meeting;
- (b) Thanking the Project Governance Group and Project Manager for their contribution to the project to date, and advise that work on the project in its current form will cease as of 30 September 2023

(3) Further use of Te Aroha Spa Development Reserve

A Te Aroha Spa Development Reserve (created from a portion of the general purpose reserve) has funded the Te Aroha project activity to date. There is approximately \$450,000 remaining in this reserve. Council determination is sought on the future of this reserve, with the following options to be considered:

- a) The remaining balance of Te Aroha Spa Development Reserve be transferred back to the general purposes reserve.
- b) Council could provide monies from the existing Te Aroha Spa Reserve in year 1 of the 2024-34 Long Term Plan for the purposes of investigating alternative options for the Te Aroha Spa Complex
- c) Council could provide monies in year 2 and 3 of the 2024-34 Long Term Plan as capital funding towards an alternative option identified in the Year 1 investigations.

(4) Wider Planning

- a) That the Te Aroha (Pride of Place) Place Plan (pending) be prioritised for implementation; including the establishment of a Te Aroha Community Forum
- b) That Council consider inclusion of monies from the existing Te Aroha Spa Reserve in year 1 of the 2024-34 Long Term Plan for the purposes of a detailed Domain Master Plan and/or Destination Management Plan.

It should be noted that the Domain Reserve Management Plan already provides a Landscape concept plan. A Precinct master plan was completed as part of the Business Case development. This was a conceptual framework with a series of storytelling and interpretation opportunities and spa schedule (and spa spatial layout diagram). The precinct master plan framework is not considered to be a detailed master plan.

A Te Aroha Destination Management Plan could drive proactive, joined-up visitor management for the Te Aroha and the Domain alongside non-statutory strategic direction for visitor management and opportunities. This would identify how visitor demand (both current and predicted) could impact infrastructure, visitor accommodation, the environment and communities and how the Spa will link with other (current and future) tourism offerings in Te Aroha. This would include issue management and how to drive positive outcomes.

Mōrearea | Risk

A detailed risk assessment was undertaken and maintained for this complex project. Council's risk appetite was also gauged as part of the process.

Expertise was sought from a number of sources, including a peer review of the project by GHD consultants and legal advice from Brookfields.

Broadly, a range of risks were identified; these included

- financial and economic
- operational
- legal and regulatory
- brand and reputation
- strategic elements
- programme implementation
- site related matters (both existing and proposed)

Ngā Whiringa | Options

A range of potential options have been identified in the issues and discussion section of this report.

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

This project is subject to a range of key legislation and policies including but not limited to:

- Local Government Act 2002
- Resource Management Act
- Reserves Act
- Treaty Settlement Legislation
- Open Spaces Strategy
- Te Aroha Domain Reserve Management Plan
- Significance and Engagement Policy

Consideration of these has been undertaken in advice received from Brookfields Lawyers, and the GHD peer review.

Local Government Act 2002 (LGA 2002) Decision-making requirements

Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is assessed as having a high level of significance.

All Council decisions, whether made by the Council itself or under delegated authority, are subject to the decision-making requirements in sections 76 to 82 of the LGA 2002. This includes any decision not to take any action.

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Options are addressed above in this report.
Section 78 – requires consideration of the views of Interested/affected people	It is recommended that Council include any change relating to the Te Aroha Spa development proposal in the 2024-34 Long Term Plan Consultation Document for community feedback. This has been reflected in all of the proposed options.
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The Significance and Engagement Policy is considered above. This issue is assessed as having a high level of significance.
Section 82 – this sets out principles of consultation.	Consultation would need to occur as part of the 2024-34 Long Term Plan process.

Legal advice provided to Council provides the following comments:

- Consultation – in light of Council’s decision-making obligations under Part 6 of the LGA02 and various other regulatory processes that it will need to follow if it proceeds with the project, it is inevitable that multiple consultative processes will be needed in order to first, decide on whether to proceed with the project and second, implement the project.
- In terms of decision-making requirements under Part 6 of the LGA02, the spa proposal is likely to be classed as a significant activity under Council’s Significance & Engagement Policy (S&E Policy). Decision-making regarding options for the development or management of the spa facility would be considered to be a significant decision.
- The Te Aroha Domain as a whole is also classed as a strategic asset under Schedule 1 of the S&E Policy. This means that at the very least, Council will need to take care to ensure that it expressly observes the applicable decision-making requirements under Part 6 of the LGA02, including the need to consider community views.
- An increase in costs to provide a spa facility would not necessarily mean that an amendment to the LTP would be needed before Council could decide to move forward with the project, some consultation with the community will be needed, and some decisions could trigger a need to amend the LTP e.g. deciding that Council will increase its level of contribution to the costs of the project.

The advice suggests the following consultative processes will be needed:

- Community-wide consultation on spa facility proposal in the event that Council decides that in principle a business case for one or more of the options has been made out.
- SCP to provide for changes to the project within the LTP either as part of preparing the next LTP or as an amendment to the existing LTP. The extent to which an amendment to the existing LTP will be needed will be dependent on how quickly the project progresses

and whether there are changes to the level of contribution that Council intends to make to the project.

In addition to the need to consult on the detail of any spa proposal, issues will arise as to whether or not the changing nature of the proposal could result in inconsistencies with the LTP and if so, whether an amendment to the LTP would be required before Council could proceed with the spa proposal.

As noted earlier, \$18.9 million has been allocated to development of spa facilities in Council's current LTP. This amount is significantly less than the projected cost of any of the options that have been identified by the governance group in its options report.

In terms of inconsistencies with the LTP, it is not always the case that a local authority must amend its LTP before it can make a decision that is inconsistent with it. Section 96(3) of the LGA02 expressly recognises the ability of a local authority to make decisions that are inconsistent with the LTP provided the requirements of section 80 are complied with.

Section 80 requires Council, before making a decision that is significantly inconsistent with a policy, to clearly identify the inconsistency, the reasons for the inconsistency and any intention of the local authority to amend the policy or plan to accommodate the decision.

Brookfields advice on significance of the project – particularly in relation to further community consultation has been sought and will be provided for consideration at the Council meeting.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Council's proposed approach to the Te Aroha Spa will be included in the 2024-34 Long Term Plan consultation document.

Any interim Council decisions will be communicated through a range of mediums to key stakeholders and the community.

Ngā take ā-lhinga | Consent issues

There are both resource consent and building consent matters that would need to be considered in any Te Aroha spa development.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

The relevant Community Outcomes are set out below:

Connected Infrastructure	Infrastructure and services are fit for purpose and affordable, now and in the future.	Quality infrastructure is provided to support community wellbeing.	
Economic opportunities	We are a business friendly Council	Our future planning enables sustainable growth in our District.	We provide leadership and advocacy is provided to enable our communities to grow.
Healthy communities	We encourage the use and development	We encourage community engagement and provide sound and visionary deci-	

	of our facilities.	sion making.	
Environmental Sustainability	We engage with our regional and national partners to ensure positive environmental outcomes for our community.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs	
Vibrant Cultural values	We promote and protect our arts, culture, historic, and natural resources	We value and encourage strong relationships with Iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ ancestral heritage.	Tangata Whenua with Mana whenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.

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

Council consideration has been sought as part of this report on future use of the Te Aroha Spa Reserve.

Spending to date (as at 23 August 2023) is \$1.118m

Remaining reserve funding balance is \$420k

Opening balance	2020	2021	2022	2023	2024 YTD	Life to date
Funding in						
Covid-19 reserve	500					
Transfer from PNZ fund		1038				1,538 Reserve allocation
Funding spent						
WO 47548	-5	-102	-406	-566	-38	-1,118 Spend to date at 21 August 2023
Closing balance	495	1431	1025	459	420	420 Available reserve funding

Current tasks	
Cultural values assessment	Awaiting final report
MPDC Resource consent	\$2,000 estimated

processing fees for geotech work	
Project Management costs	External project manager is overseeing the project.
Project Governance costs	See comments above regarding Instruction to Project Governance Group

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Erin Bates Strategic Partnerships and Governance Manager	
-----------	--	--

Approved by	Don McLeod Chief Executive Officer	
-------------	--	--

Item 7.8 considered with Item 7.9.

8 Ngā Pūrongo Whakamārama | Information Reports

8.1 Chief Executive Officer's Report

CM No.: 2775193

Rāpopotonga Matua | Executive Summary

The Chief Executive Officer's report for the period ending August 2023 is circulated separately to the agenda.

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That:

1. The information be received.

Resolution number CO/2023/00010

Moved by: Cr C Ansell

Seconded by: Cr B Dewhurst

KUA MANA | CARRIED

Ngā Tāpiritanga | Attachments

[A⇒](#) CEO report for period ending August 2023 (*Under Separate Cover*)

[B⇒](#) September 2023 CEO Project Reporting (*Under Separate Cover*)

Ngā waitohu | Signatories

Author(s)	Debbie Burge Executive Assistant to the Mayor & CEO	
Approved by	Don McLeod Chief Executive Officer	

Item 8.1 considered after Item 7.7

The meeting adjourned for morning tea at 10.10am and reconvened at 10.48am.

9 Take Matatapu | Public Excluded
C1 Te Aroha Spa Project - NZTE Report

10.48am The public were excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not public available.

10 Mōtini hei aukati i te iwi whānui | Procedural motion to exclude the public
WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

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

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

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Te Aroha Spa Project - NZTE Report

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.

Resolution number CO/2023/00011

Moved by: Cr C Ansell
Seconded by: Cr K Tappin

KUA MANA | CARRIED

10 Procedural motion to include the public

10.54am The public were included.

WHAKATAUNGA A TE KAUNIHERA | COUNCIL RESOLUTION

That:

- 1. That the public be included for the remainder of proceedings of this meeting.**

Resolution number CO/2023/00012

Moved by: Cr R Smith

Seconded by: Cr D Horne

KUA MANA | CARRIED

Item C1 considered after Item 8.1

12.14 pm

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
OF THE MEETING OF KAUNIHERA | COUNCIL
HELD ON 27 SEPTEMBER 2023.

KO TE RĀ | DATE:

TIAMANA | CHAIRPERSON: