

Kaunihera | Council

Kaupapataka Wātea | Open Agenda



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

Ko te rā | Date: Wednesday 26 March 2025
Wā | Time: 09:00
Wāhi | Venue: Council Chambers
35 Kenrick Street
TE AROHA

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

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



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1 Whakatūwheratanga o te hui | Meeting Opening

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

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

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

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

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

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

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

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

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

4 Whākī pānga | Declaration of Interest

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

5 Whakaaetanga mēneti | Confirmation of Minutes

Minutes, as circulated, of the ordinary meeting of Matamata-Piako District Council, held on 5 March 2025

6 Papa ā-iwi whānui | Public Forum

At the close of the agenda there were no speakers scheduled to the public forum.

7 Pūrongo me whakatau | Decision Reports

7.1 CCO Performance Monitoring - Waikato Regional Airport Limited (WRAL) and Subsidiary Companies - Draft Statement of Intent 2025/26 and Half-Yearly Report

CM No.: 3007208

Te Kaupapa | Purpose

The purpose of this report is for Council to review and receive the draft Statement of Intent for 2025/26, as well as the Half-Yearly Reports for the Waikato Regional Airport Limited (WRAL) and its subsidiary companies. Council may wish to provide feedback to WRAL on the draft Statement of Intent.

Mark Morgan, Group Chief Executive of Hamilton Airport, and Nicola Greenwell, General Manager of Hamilton Waikato Tourism, in attendance to present to their six-month reports.

Rāpopotonga Matua | Executive Summary

Council Controlled Organisations (CCO's) are required by the Local Government Act 2002 (LGA) (subject to certain exemptions) to prepare and publish an annual Statement of Intent.

A Statement of Intent must include:

- a) The objectives of the group; and
- b) A statement of the board's approach to the governance of the group; and
- c) The nature and scope of the activities to be undertaken by the group; and
- d) The non-financial performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
- e) Any additional information that is required to be included in the Statement of Intent.

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

The draft Statement of Intent for 2025/26 and Half-Yearly Reports for WRAL and its subsidiary companies are attached. It is recommended the reports are received, and Council considers providing feedback on the Statement of Intent report for WRAL.

Tūtohunga | Recommendation

That:

1. The report be received.
2. **A) Council approves the Waikato Regional Airport Limited (WRAL) draft Statement of Intent 2025/26.**

OR
B) Council provides feedback on the Waikato Regional Airport Limited (WRAL) draft Statement of Intent 2025/26 [*feedback to be specified*].
3. Council receives the following Half-Yearly Reports to December 2024:
 - a) Waikato Regional Airport Limited (WRAL) interim six-monthly report to 31 December 2024.
 - b) Hamilton & Waikato Tourism interim six-monthly report to 31 December 2024.
 - c) Titanium Park interim six-monthly report to 31 December 2024.
 - d) Waikato Regional Airport Hotel Limited (Trading as Jet Park Hamilton Airport Hotel & Conference Centre) interim six-monthly report to 31 December 2024.

Horopaki | Background

Council Controlled Organisations (CCO) Reporting Requirements

CCO's are required by the Local Government Act 2002 (LGA) (subject to certain exemptions) to prepare and publish an annual Statement of Intent, and produce a Half-Yearly Report for shareholders on the entity's operations during the half year.

Waikato Regional Airport Limited (WRAL)

WRAL is a CCO owned by five Waikato councils, with Matamata-Piako's shareholding at 15.6%. The Group is comprised of the following entities:

- Waikato Regional Airport Limited (trading as Hamilton Airport) is the Group's parent company, and the owner and operator of Hamilton Airport.
- Titanium Park Limited - has a goal to develop and optimise land holdings to generate long-term income streams from a diversified property portfolio.
- Waikato Regional Airport Hotel Limited (Trading as Jet Park Hamilton Airport Hotel & Conference Centre). – has an intent to provide non-aeronautical earnings to the Group through the operation of a Qualmark 4 Star Plus hotel and conference centre facility at Hamilton Airport.
- Hamilton & Waikato Tourism Limited – the Regional Tourism Organisation markets the Hamilton and Waikato region as a visitor and business events destination, and to assist in growing the visitor economy through tourism development and destination management.

WRAL has identified the following core purposes under its current ten-year strategic plan:

1. An enabler of air services to the region.
2. A supporter and developer of aviation through investment in, and provision of, airport infrastructure and support services for both general aviation and commercial airline activities.
3. The operator of a first class, safe, sustainable and compliant airport that connects the Mighty Waikato to New Zealand and beyond.
4. To strategically position the Group to enhance capital value and be financially self-sustaining through an income diversification strategy.

Ngā Take/Kōrerorero | Issues/Discussion

WRAL 2025/26 Draft Statement of Intent

The Draft Statement of Intent outlines the key strategic activities for the company and KPIs for the period.

The Draft Statement of Intent outlines the proposed work plan for 2025/26 and the Board's accountabilities to the shareholder for corporate performance.

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

1. Operate an efficient and compliant airport.
2. Enhance the traveller experience.
3. Maintain a viable aeronautical business.
4. Future-proof the airport.
5. Maximise long-term income from diverse non-aeronautical business opportunities stemming from optimisation of land and property holdings.
6. People.
7. Sustainability.
8. Assist in the development and marketing of the Hamilton and Waikato region as a destination to domestic and international visitors.
9. Te Tiriti and Te Ao Maaori.

The Draft Statement of Intent proposes the following performance targets in relation to WRAL's core purpose and key objectives:

	2026	2027	2028
EBITDA excl Land Sales	\$6.0m	\$8.0m	\$9.0m
EBITDA incl Land Sales	\$6.0m	\$13.0m	\$14.0m
NPBT no less than	\$3.0m	\$8.5m	\$9.0m
Net Operating Cash Flow	\$4.5m	\$6.0m	\$10.0m
Percentage of Non-Landing Charge Revenue	60%	60%	60%
Interest Coverage	2.0x	3.0x	3.0x
Total Debt	\$70.0m	\$70.0m	\$70.0m
Shareholder value	\$254.0m	\$275.0m	\$289.0m

WRAL Half-Yearly Report

WRAL highlight that the current financial year began with the news that international air services would resume from Hamilton from June 2025, with Jetstar servicing Hamilton Airport daily with flights to Sydney and Gold Coast after a 13-year hiatus of international flights from Hamilton.

The CEO report notes how the WRAL management team have remained focused on wellbeing initiatives within the group to ensure that WRAL is an employer of choice, who continues to deliver ambitious work programs underpinned by the existing ten-year strategy.

As the full year period is 1 July 2024 to 30 June 2025, WRAL refer to reports issued for part of that year as “interim reports”. The term is interchangeable with “half year report” in this instance but the word “interim” is the one that prevails in the accounting and financial reporting standards hence is more prevalently used.

Titanium Park Limited Half-Yearly Report

After a five year project, a project of due diligence and private plan change became operative in July 2024 with Titanium Park Limited completing the purchase of over 80ha of property adjacent to the airport and formally launch Precinct North to market. Precinct North will include land retained by the airport company for long term aeronautical and non-aeronautical uses. The second half of the financial year is expected to see the first physical site development in Precinct North.

In the six months just ended, Titanium Park concluded two land sale settlements from existing titles already developed on its Central and Southern Precincts, all \$5.7m of sales proceeds have been reapplied back into the company and WRAL.

Waikato Regional Airport Hotel Limited (Trading as Jet Park Hamilton Airport Hotel & Conference Centre) Half-Yearly Report

While the trading results largely mirror last year’s performance for the same period, Waikato Regional Airport Hotel Limited note a recovery, with key revenue metrics in the last quarter having exceeded the comparative period in the prior year. This optimism is reinforced with the obvious change in government policy settings around tourism visitor arrivals and a desire to see these grown significantly in 2025, back to pre-Covid levels.

The hotel continues to provide a best in class customer experience for Waikato hotels, consistently being rated the highest for various guest satisfaction metrics across a range of platforms.

Hamilton & Waikato Tourism Half-Yearly Report

Hamilton & Waikato Tourism provide key performance metrics compared to the Statement of Intent for the six months ending 31 December 2024.

The metrics show that they have achieved the industry contribution measure, with \$121,475 plus in-kind \$7,593 compared to the Statement of Intent setting a target of \$120,000 industry investment (excluding Visitor Guide).

They have achieved a 3.1% market share of total guest nights, with the Statement of Intent setting a 3% target. Further, they have achieved an 8.2% total business events at year end (September 2024), with the Statement of Intent setting a target of 6%.

Hamilton & Waikato Tourism have withdrawn from the \$65,000 additional council investment – Waitomo/ Ōtorohanga.

All other key performance measures are on track/in progress for the targets outlined in the Statement of Intent.

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

In accordance with the LGA, CCOs are required to prepare and publish an annual Statement of Intent. This Statement must be approved by the parent local authority. Upon receipt of the proposed Statement of Intent, the local authority has two months to provide feedback to the CCO. Feedback must be submitted to WRAL by 30 April 2025, with the final version of the Statement of Intent to be issued in June.

Additionally, CCOs are obligated to report on their operations to their shareholders. A Half-Yearly Report must be submitted within two months following the end of the first half of each financial year.

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 low 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	There is no formal consultation planned for the WRAL and Subsidiary Companies 2025/26 Statement of Intent and Half Yearly Reports.
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 low level of significance.
Section 82 – this sets out principles of consultation.	There is no formal consultation planned for the WRAL and Subsidiary Companies 2025/26 Statement of Intent and Half Yearly Reports.





Policy Considerations

1. To the best of the writer’s knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any

policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

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

Matamata-Piako District Council’s Community Outcomes are set out below:







MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

The community outcomes relevant to this report are ‘a place to thrive’, as WRAL and the Subsidiary Companies are impactful to the economy and provide employment opportunities.

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

Council have not received any dividends from WRAL or Subsidiary Companies in the financial year to date.

Ngā Tāpiritanga | Attachments

- [A](#)  Statement of Intent WRAL 2026 
- [B](#)  WRAL Interim Report (July-Dec) 2024 
- [C](#)  Titanium Park Interim Report 2025 

[D↓](#). JetPark InterimReport 2025



[E↓](#). H&W Limited Six Month Report 2024 (July-December)



Ngā waitohu | Signatories

Author(s)	Charlotte Walker Kaitohu Kaupapahere Paetahi Graduate Policy Advisor	
Approved by	Niall Baker Kaiārahi Tima Kaupapahere Policy Team Leader	
	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	

WAIKATO REGIONAL AIRPORT LIMITED

Group Statement of Intent

For the year ended 30 June 2026

(February 2025)

Item 7.1

Attachment A





INTRODUCTION

This statement is presented by the Directors in accordance with s.64(1) of the Local Government Act 2002 and sets out the Board's intentions for the Company and Group for the year ending 30 June 2026 and the succeeding two financial years.

STRATEGIC INTENT

The Group has identified its core purposes under its current ten-year strategic plan to be:

CORE PURPOSES

1. An enabler of air services to the region.
2. A supporter and developer of aviation through investment in, and provision of, airport infrastructure and support services for both general aviation and commercial airline activities.
3. The operator of a first class, safe, sustainable and compliant airport that connects the Mighty Waikato to New Zealand and beyond.
4. To strategically position the Group to enhance capital value and be financially self-sustaining through an income diversification strategy.

About the WRAL Group

The Group comprises the following entities:



Waikato Regional Airport Limited (trading as Hamilton Airport) - is the Group's parent company, and the owner and operator of Hamilton Airport.



Titanium Park Limited - has a goal to develop and optimise land holdings to generate long-term income streams from a diversified property portfolio.



Waikato Regional Airport Hotel Limited - has an intent to provide non-aeronautical earnings to the Group through the operation of a Qualmark 4 Star Plus hotel and conference centre facility at Hamilton Airport.



Hamilton & Waikato Tourism Limited - the Regional Tourism Organisation markets the Hamilton and Waikato region as a visitor and business events destination, and to assist in growing the visitor economy through tourism development and destination management.



Key objectives of the WRAL Group

The Group's key objectives and activities that will be undertaken to deliver on these include the following:

Operate an efficient and compliant airport

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

Enhance the traveller experience

- Maximise traveller satisfaction and airport experience through continued investment in passenger facilities and technologies that also assist to drive sustainable outcomes.

Maintain a viable aeronautical business

- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- Identify and activate new development opportunities within the general aviation sector.
- Promote the airport as an efficient, cost-effective international port for both commercial and private operations.
- Continue active engagement with prospective international airlines and pair city airports to grow air connectivity.
- Promote and secure additional tenants for the form flight training academy facilities to further enhance a vibrant general aviation community.

Future-proof the airport

- Ensure the airport retains sufficient future protections for growth to meet future demands of international air connectivity, tourism, economic development and resilience.
- Remain collaborative with local authorities, and central government agencies for joint infrastructure and transport initiatives

Maximise long-term income from diverse non-aeronautical business opportunities stemming from optimisation of land and property holdings.

- Titanium Park will continue marketing for sale, development and optimised investment, all available non-aeronautically strategic land in a planned and coordinated approach.
- Support the development of land within the bounds of a sound, strategic approach to long-term planning as defined in the 2022 updated aeronautical master plan.

People

- Invest in an organisation-wide strategy that takes a holistic view of employee wellbeing, recognising wellbeing as a measure of our organisation's success.



- Provide training and development to personnel to ensure individually and collectively, our personnel remain leaders of best practice in their respective fields.
- Retain a high performing team to build resilience, capability and responsiveness to growth and change opportunities.

Sustainability

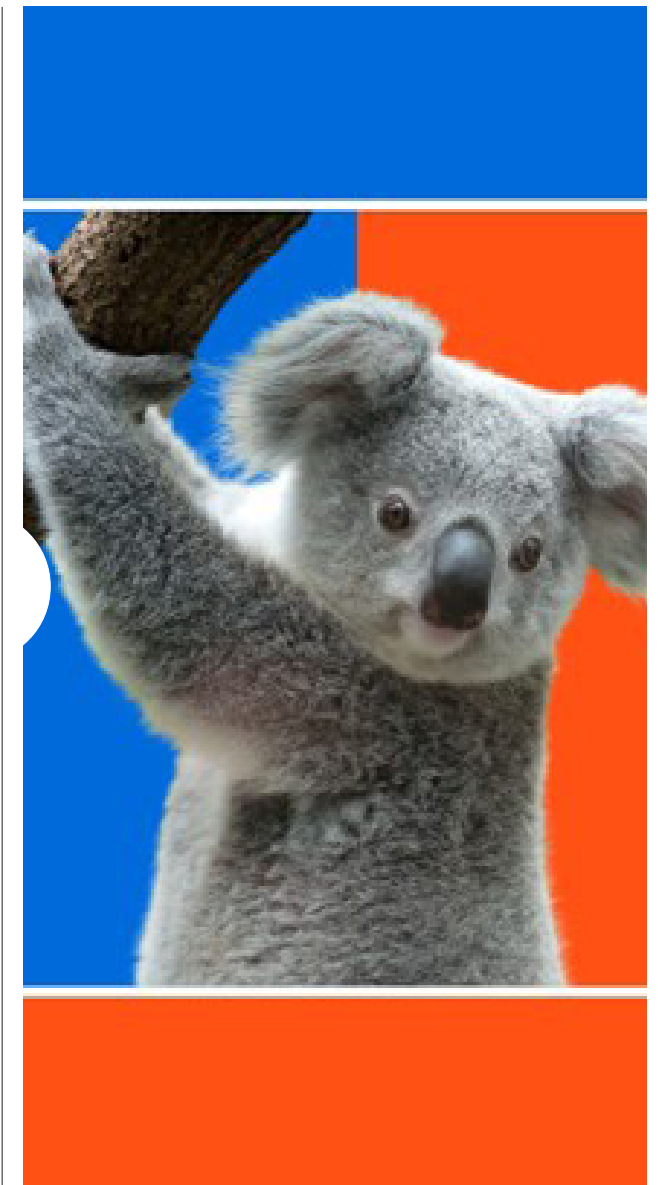
- Maintain JetPark Hotel's Qualmark Silver Enviro rating.
- Continue to align initiatives in the HLZERO50 sustainability framework, and to the global Airport Carbon Accreditation program and re-accreditation of our current Level 4 status.
- Plan and design infrastructure to facilitate energy reduction, sustainable energy use and alternative fuels in new developments around the airport.

Assist in the development and marketing of the Hamilton and Waikato region as a destination to domestic and international visitors.

- Maintain and strengthen support for regional tourism through partnerships with local government, the tourism industry and the wider community to promote the region as a gateway to the North Island in concert with promotion of relaunched international services.

Te Tiriti and Te Ao Maaori

- Create a cultural legacy that authentically embraces and values Maaori tikanga (customs) and te reo (the language) meaningfully that respects the kaitiakitanga (guardianship) of mana whenua and principles of te tiriti o Waitangi.



Key Performance Targets

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

	2026	2027	2028
EBITDA excl Land Sales	\$6.0m	\$8.0m	\$9.0m
EBITDA incl Land Sales	\$6.0m	\$13.0m	\$14.0m
NPBT no less than	\$3.0m	\$8.5m	\$9.0m
Net Operating Cash Flow	\$4.5m	\$6.0m	\$10.0m
Percentage of Non-Landing Charge Revenue	60%	60%	60%
Interest Coverage	2.0x	3.0x	3.0x
Total Debt	\$70.0m	\$70.0m	\$70.0m
Shareholder value	\$254.0m	\$275.0m	\$289.0m

Non-Financial Performance Targets

The following non-financial key performance targets are proposed for the Waikato Regional Airport Limited Group in relation to its core purpose and key objectives for the year ending 30 June 2026.

Health, safety and wellbeing

- Zero Work Safe notifiable accidents/injuries.
- Operate a workplace that fosters employee wellbeing and improving organisational culture, as measured by the Employee Engagement Survey.

Aeronautical compliance

- To maintain the Airport Certification Standards as required by the Civil Aviation Authority.
- Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).

Maintain a viable aeronautical business

- Promote the airport as an international port for private and commercial airline activities.
- Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
- As the base airport, facilitate the first operational trials of Air New Zealand's Next Generation Technical Demonstrator aircraft.
- Finalise a business case to support the Airport's final position in respect of the lapse period of the current runway designation, taking into account recent developments in international air services, national resilience and emerging regional growth opportunities since 2022.

Property

- Complete enabling infrastructure and site development of the first stage of Precinct North.
- Complete construction of the first design-build property for Precinct North's first tenant.

- Commence the first stage of development of the Precinct North ecological compensation site in accordance with the Precinct's ecological management plan.
- Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.

Climate Change Response

- Maintain Level 4 accreditation to the Airport Council International's Airport Carbon Accreditation Programme.
- Maintain the JetPark Hotel's Qualmark Silver Enviro rating.
- Complete a feasibility study for additional on-site generation and storage capabilities of renewable energy sources.



Governance

Governance

At all times the Group will behave in a professional and ethical manner in all its business dealings with its customers and stakeholders and strive to be an employer of choice in fostering a high performing organisation.

The Group is committed to its obligations under the Local Government Act 2002 to its employees, shareholders, the community including climate change response and Te Tiriti o Waitangi. The Board and Management will ensure that all requirements of the Health & Safety at Work Act 2015 are maintained, including through the engagement of an independent consultant and audit processes to ensure the organisation and its subsidiary companies are maintaining compliant and best practice processes.

For commercial reasons, Titanium Park Limited operates as a subsidiary company, more recently with the WRAL directors as a transitional board. During 2026 we expect to finalise the property and funding strategy for Precinct North, and address future Titanium Park board composition.

Shareholder value

While no commercial valuation of shares has been completed, the audited balance sheet of the WRAL Group as at 30 June 2024 shows shareholder equity of \$230 million based on independent valuations of the Group's property, plant and equipment and investment properties.

Shareholder value

While no commercial valuation of shares has been completed, the audited balance sheet of the WRAL Group as at 30 June 2024 shows shareholder equity of \$230 million based on independent valuations of the Group's property, plant and equipment and investment properties.

Dividends

The Directors recognise the importance of dividend payments to shareholders. The Directors will review the performance and outlook for the Group annually in accordance with the Group's dividend policy before declaring any dividends.

Future investment proposals

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

Major transactions in the WRAL Group are those that would result in 10% of the company's assets (by book value) being acquired or disposed by the Group annually before declaring any dividends. There are no additional major transactions presently contemplated for which shareholders have not already been consulted over.





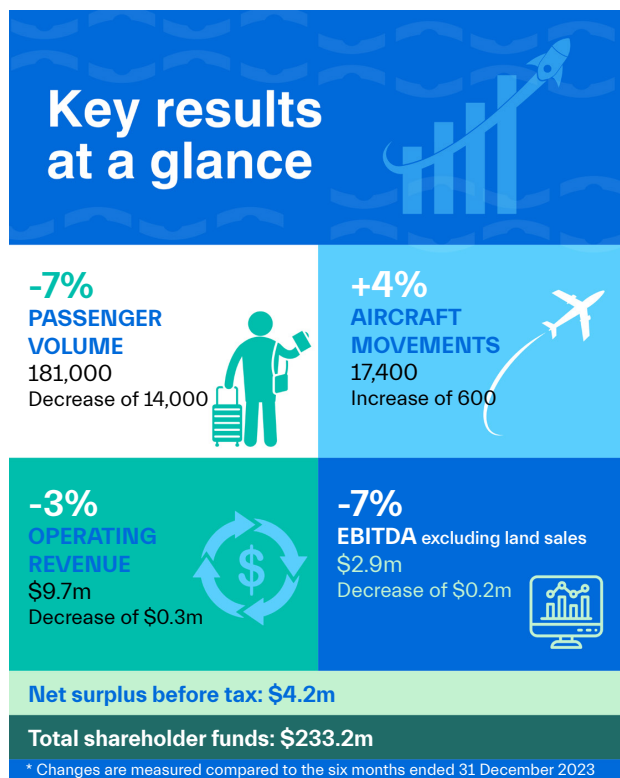


INTERIM REPORT

WAIKATO REGIONAL AIRPORT LIMITED
For the six months ended 31 December 2024



CHIEF EXECUTIVE'S REPORT



COMMENTARY

The current financial year began with the exciting news that international air services would resume from Hamilton from June 2025 with Jetstar servicing Hamilton Airport daily with flights split between Sydney and Gold Coast. The completion of fifteen months of negotiations and coordination amongst a very large group of stakeholders will see daily services resume from June 2025, after a thirteen-year hiatus.

Such is the strength of the opportunity, when services do resume, the seat capacity in excess of 100,000 provided by Jetstar at launch will be almost equal to the peak capacity delivered in previous iterations of trans-Tasman services from our airport.

This news has had very little impact on the financial results in the year to date but has clearly been a major focus in the business priorities. The second half of the year will see up to \$7 million of investment needed to have the international wing of the terminal fitted out and ready to be serviced by border agencies.

This development is a welcome contrast to the generally subdued airline business which has experienced a 7% decline in travellers on the same period in the previous year, largely the result of the general economic climate, reduced Government travel, and the engineering and aircraft supply chain issues impacting Air New Zealand's domestic airline fleets. The other silver lining being the establishment of new regional routes to and from our airport

from Gisborne, Napier, Whangarei, and most recently Whakatane with Sun Air – a small airline showing great growth, commitment and potential.

Outside of the airline business, the general aviation community remains vibrant which is most evident from the increase in aircraft movement numbers at our airport. The second half of the year will see development of an aero-medical facility which will repurpose part of the former international pilot academy. The remaining pilot academy facilities offer a range of possibilities, still suitable for a 150 student academy or for other high-end general aviation uses such as a fixed based operator to handle private jet movements. Aeronautical manufacturing continues to play an important part of Hamilton Airport with local operators expanding their operations. As in recent years, the group has continued to strategically acquire the improvements of some significant aeronautical properties and support the growth aspirations of our existing tenants by enabling them to move on airport to larger facilities, whilst also welcoming regular new operators to the airport.

Our hotel property, operated by JetPark Hotels has delivered a consistent contribution to group earnings and plays an important role in complimenting aeronautical activity under the Airport's non-aeronautical diversification strategy. Like passenger travel activity through the airport, it is evident the challenges of the economic headwinds as high interest rates and inflation over the past couple of years have kept pressure on discretionary travel spend, however recent trading is trending up on the prior year with further optimism arising from recent government policy settings around tourism and visitor arrivals. The hotel also continues to outperform the market with above average occupancy and has shown growth in revenues across food and beverage and conferencing, in addition to room occupancy, additionally providing 'best in class' for customer service and satisfaction.

After a five year project of initial due diligence then completion of a private plan change that became operative in July 2024, Titanium Park Limited (TPL) was able to complete the inter-company purchase of land needed to bring the 100ha Precinct North to market. The second half of the current financial year is expected to see the first physical site development works on Precinct North with approximately 10 hectares developed and brought to market in Stage One, some of which is already under contract to the precinct's launch tenant. This will also be the Group's first material design-build as part of the next step in the WRAL Group's financial maturing and diversification strategy. At this juncture, a total investment of \$30 million will be made in the coming eighteen months across the precinct.

Looking further into the future, Precinct North has provision for an air freight hub and the enabling of an additional 11ha of "airside land" meaning the airport has enough land protection to double its current footprint of aeronautical facilities such as hangars and airline passenger facilities.



A re-focused Hamilton & Waikato Tourism (HWT) continues to support the local tourism industry with activities adjusted to reflect the changed level of funding in the organisation under the latest funding service level agreements. In addition to the important work HWT does in the tourism industry, within the WRAL Group the organisation will play a significant role in promoting inbound travel to the Waikato region via the airport as a new international gateway, with an expected economic contribution of up to \$50 million in additional GDP annually and almost 400 local jobs supported.

December 2024 also brought about the first anniversary of the operation of our on-site solar farm. WRAL was the first airport in New Zealand to have commissioned its own facility. Gifted the name Tama-nui-te-ra (Son of the sun) by local iwi partners Ngaati Haua, the asset has delivered as expected in the first year achieving the expected financial and environmental benefits of the business case.

The management team has remained very focused on wellbeing initiatives that genuinely provide support to our people and continue to ensure that WRAL is an employer of choice, retaining our people who continue to deliver in excess of the already ambitious program of work that underpins our existing 10-year strategy, along with the significant workstreams needed to have the airport and key stakeholders ready for international air services in just a few months' time.



Mark Morgan
Group Chief Executive



FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income & Expense

For the six month period ended 31 December 2024
(unaudited)

	2024 \$ '000	2023 \$ '000
Revenue		
Operating revenue	9,729	10,007
Land sales	5,710	3,623
Other gains/(losses)	81	-
	15,520	13,630
Expenses		
Operating expenses	(4,083)	(4,224)
Cost of land sales	(1,241)	(761)
Employee benefits expense	(2,730)	(2,684)
Depreciation & amortisation	(2,431)	(2,009)
Finance costs	(775)	(613)
Other losses	-	(173)
	(11,260)	(10,466)
Net surplus/(deficit) before tax	4,260	3,164
Tax expense	(1,045)	(587)
Net surplus/(deficit) after tax	3,216	2,577
Other comprehensive revenue & expense		
Revaluation of property, plant & equipment	-	-
Deferred tax	-	-
Total other comprehensive revenue & expense	-	-
Total comprehensive revenue & expense	3,216	2,577

These interim financial statements have been prepared in accordance with Tier 2 PBE Accounting Standards.

FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

For the six month period ended 31 December 2024
(unaudited)

	Share Capital \$ '000	Retained Earnings \$ '000	Revaluation Reserves \$ '000	Total \$ '000
Opening Balance - 1 July 2023	14,860	114,596	104,476	233,932
Net profit/(loss) after tax	-	2,577	-	2,577
Other comprehensive income	-	-	-	-
Total comprehensive income	-	2,577	-	2,577
Dividends paid to shareholder	-	(500)	-	(500)
Closing Balance - 31 December 2023	14,860	116,673	104,476	236,009
Opening Balance - 1 July 2024	14,860	110,608	104,476	229,944
Net profit/(loss) after tax	-	3,216	-	3,216
Other comprehensive income	-	-	-	-
Total comprehensive income	-	3,216	-	3,216
Dividends paid to shareholder	-	-	-	-
Closing Balance - 31 December 2024	14,860	113,824	104,476	233,159

FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

As at 31 December 2024
(unaudited)

	2024 \$ '000	2023 \$ '000
Current Assets		
Cash and cash equivalents	289	626
Trade and other receivables	1,446	1,194
Inventories	138	575
Development property	24,798	13,690
	26,671	16,085
Non Current Assets		
Property, plant, and equipment	158,960	162,227
Investment property	89,937	92,620
Intangible & other non-current assets	817	906
	249,714	255,753
Total Assets	276,386	271,838
Current Liabilities		
Trade and other payables	2,832	1,490
Income received in advance	1,347	900
Employee entitlements	501	578
	4,679	2,968
Non Current Liabilities		
Provisions for Infrastructure Development	5,390	4,932
Deferred tax liability	11,558	5,719
Borrowings	21,600	22,030
	38,458	32,861
Total Liabilities	43,227	35,829
Net Assets	233,159	236,009
Equity		
Share capital	14,860	14,860
Retained earnings	113,824	116,673
Revaluation reserves	104,476	104,476
Total Equity	233,159	236,009

FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

For the six month period ended 31 December 2024
(unaudited)

	2024 \$ '000	2023 \$ '000
Operating activities		
Receipts from operations	11,408	9,121
Receipts from land sales	5,245	3,831
Payments to suppliers and employees	(7,263)	(6,283)
Payments for construction of development property	(1,448)	(1,811)
Payment of interest	(753)	(636)
Payment of income taxes	(949)	(2,380)
Net cash from/(used in) operations	6,240	1,842
Investing activities		
Receipts from sale of property, plant and equipment	3	-
Purchases of property, plant & equipment	(1,627)	(2,880)
Purchases of investment properties	(3,400)	(302)
Purchases of intangible assets	(130)	(16)
Net cash from/(used in) investment activities	(5,154)	(3,198)
Financing activities		
Receipts from/(repayments of) borrowings	(1,190)	1,810
Payments of dividends	-	(500)
Net cash from/(used in) financing activities	(1,190)	1,310
Net change in cash for the period	(104)	(46)
Add opening cash and cash equivalents balance	393	672
Closing cash and cash equivalents	289	626

PERFORMANCE REPORTING

Performance against Statement of Intent

For the six month period ended 31 December 2024
(unaudited)

	SOI Full Year 30/6/25	Actual 6 months 31/12/24	Forecast Full Year 30/6/25
Financial Targets			
EBITDA excluding Land Sales	\$6,000	\$2,916	\$4,957
EBITDA including Land Sales	\$9,000	\$7,386	\$8,177
Net Profit before Tax	\$2,600	\$4,201	\$2,857
Net Operating Cash Flow excl Land Sales	\$4,000	\$2,443	\$5,344
Total Debt (not exceeding)	\$39,000	\$21,600	\$34,177
Percentage of non-landing charges revenue	60%	63%	63%
Land Sales	\$4,000	\$5,710	\$5,710
Interest coverage	3.0x	3.6x	2.8x

The group has several non-financial performance targets covering the range of activities the group undertakes across its aeronautical activities, property, climate change response and caring for its people and community.

At 31 December 2024, the Group was on track to meet substantially all of these targets.

Due to the unbudgeted expenditure associated with the re-establishment of international air services certain earnings based financial targets in the Statement of Intent may not be met for the full year.





Titanium Park Limited INTERIM REPORT

For the six months ended 31 December 2024



Item 7.1

Attachment C

Where success
stories grow



Chief Executive's Report

For the six months ended
31 December 2024

The company financials on the following pages reflect the latest material steps in the WRAL Group's successful property strategy which sets the foundations for significant future growth.

After a five year project of initial due diligence then completion of a private plan change that became operative in July 2024, Titanium Park Limited (TPL) was able to complete its purchase of over 80ha of property adjacent to the airport and formally launch Precinct North to market.

Precinct North will include additional land retained by the airport company for a mixture of long term aeronautical and non-aeronautical uses that will be developed in concert with Titanium Park. This will offer over 100ha of new industrial land in the Waikato situated strategically south of Hamilton and in proximity to the rapidly growing Waipa communities of Te Awamutu and Cambridge. Included in this land is provision for a future air freight hub and the enablement of an additional 11ha of "airside land" meaning the airport has enough land protection to double its current footprint of aeronautical facilities such as hangars and airline passenger facilities.

Nearly all of the \$70 million of investment and development property and land purchased in the period has been acquired from its parent company and as such has been financed internally within the WRAL Group. The second half of the current financial year is expected to see the first physical site development works on Precinct North with approximately 10 hectares developed and brought to market in Stage One, some of which is already under contract to the precinct's launch tenant. This will also be the Group's first material design-build as part of the next step in the WRAL Group's diversification strategy. At this juncture, a total investment of \$30 million will be made in the coming eighteen months across the precinct.

In the six months just ended, Titanium Park concluded two land sale settlements from existing titles already developed on its Central and Southern Precincts, all \$5.7m of sales proceeds have been reapplied back into the company and WRAL Group.



Mark Morgan
CHIEF EXECUTIVE

Financial Statements

Statement of Comprehensive Income

For the six months ended 31 December 2024
(unaudited)

	2024 \$ '000	2023 \$ '000
Land sales	5,710	3,623
Cost of land sales	(1,240)	(836)
Gross Profit	4,470	2,786
Other income	216	12
Employee benefit expense	(103)	(154)
Other expenses	(253)	(238)
Interest expense	(1,305)	-
	(1,445)	(380)
Net profit/(loss) before tax	3,025	2,406
Tax (expense)/credit	879	466
Net profit/(loss) after tax	2,146	1,940
Other comprehensive income	-	-
Total comprehensive income	2,146	1,940

Financial Statements

Statement of Changes in Equity

For the six months ended 31 December 2024
(unaudited)

	Share Capital \$ '000	Retained Earnings \$ '000	Total Equity \$ '000
Opening Balance - 1 July 2023	4,750	6,552	11,302
Net profit/(deficit) after tax	-	1,940	1,940
Other comprehensive income	-	-	-
Total comprehensive income	-	1,940	1,940
Dividends paid to shareholder	-	(400)	(400)
Closing Balance – 31 December 2023	4,750	8,092	12,842
Opening Balance - 1 July 2024	4,750	7,056	11,806
Net profit/(deficit) after tax	-	2,146	2,146
Other comprehensive income	-	-	-
Total comprehensive income	-	2,146	2,146
Dividends paid to shareholder	-	-	-
Closing Balance - 31 December 2024	4,750	9,202	13,952

Financial Statements

Statement of Financial Position

As at 31 December 2024
(unaudited)

	2024 \$ '000	2023 \$ '000
Current Assets		
Cash and cash equivalents	38	18
Trade and other receivables	78	444
Development property	24,603	13,376
Related party advance	343	3,898
	25,062	17,736
Non Current Assets		
Investment property	63,045	-
Deferred tax asset	1,073	1,051
	64,118	1,051
Total Assets	89,180	18,787
Current Liabilities		
Trade and other payables	325	319
Income received in advance	-	463
Income tax payable	429	215
Employee entitlements	16	16
	770	1,013
Non Current Liabilities		
Provisions for Infrastructure Development	5,389	4,932
Related party long term borrowings	69,069	-
	74,458	4,932
Total Liabilities	75,228	5,945
Net Assets	13,952	12,842
Equity		
Share capital	4,750	4,750
Retained earnings	9,202	8,092
Total Equity	13,952	12,842

Financial Statements

Statement of Cash Flows

For the six months ended 31 December 2024
(unaudited)

	2024 \$ '000	2023 \$ '000
Operating activities		
Receipts from operations	5,862	3,831
Payments to other suppliers and employees	(304)	(390)
Payments for construction of development property	(1,448)	(1,811)
Payments for acquisition of investment property	(3,400)	-
Payment of income taxes	(492)	(1,965)
Net cash from/(used in) operations	218	(335)
Financing activities		
Receipts from/(repayments of) related party advance	(206)	350
Net cash from/(used in) financing activities	(206)	350
Net change in cash for the period	12	15
Add opening cash and cash equivalents balance	26	3
Closing cash and cash equivalents	38	18

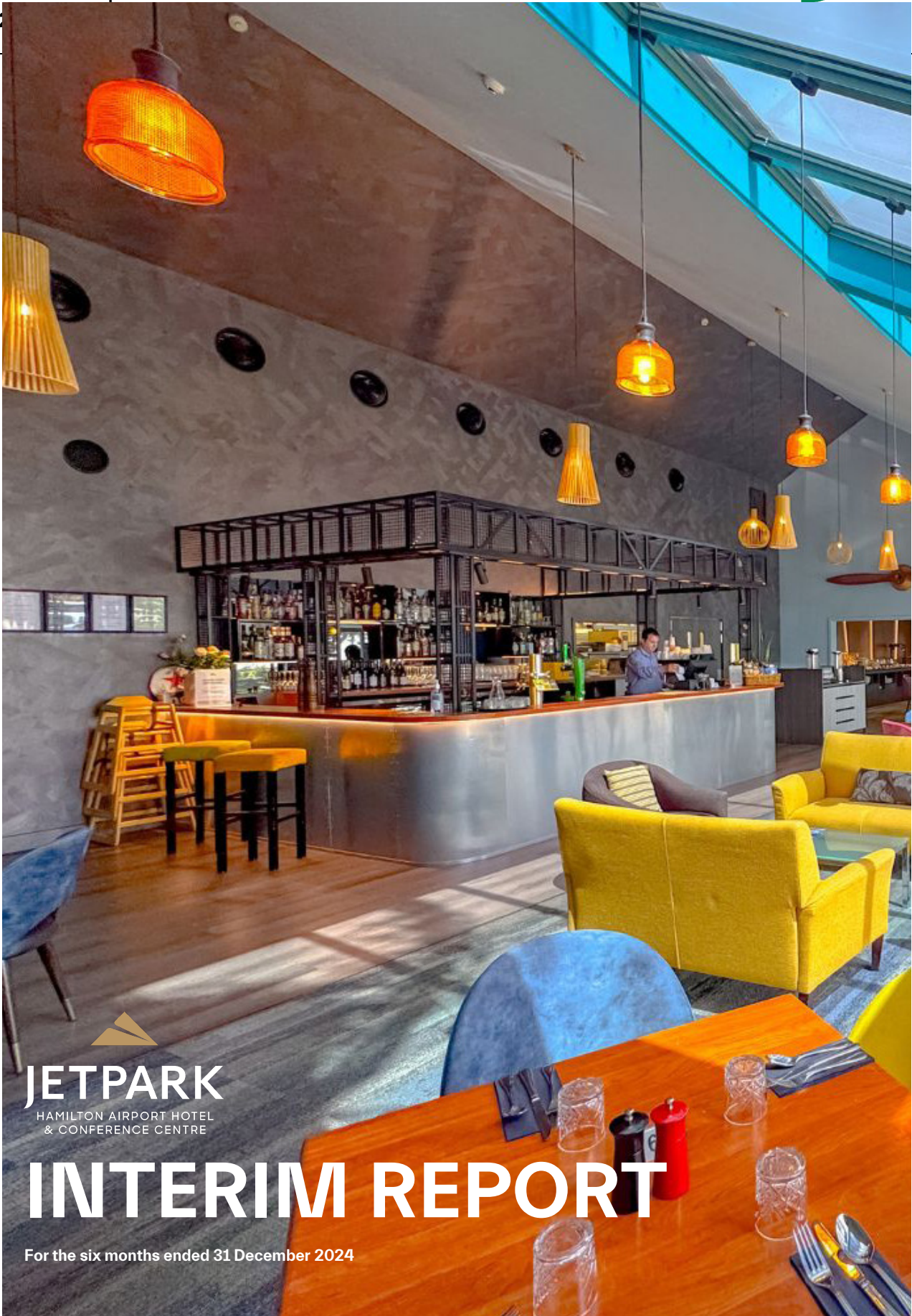


 Titanium
Park

Item 7.1

Attachment C





CHIEF EXECUTIVE'S REPORT

Across the WRAL Group, we have been experiencing and managing the challenges of the economic headwinds as high interest rates and inflation over the past couple of years has put pressure on discretionary travel spend. While both have begun to soften markedly in recent months, understandably this will take some time to filter through to a resulting increase in hotel revenue.

While the trading results largely mirror last year's performance for the same period, we are noticing a recovery, with key revenue metrics in the last quarter having exceeded the comparative period in the prior year. This optimism is reinforced with the obvious change in government policy settings around tourism visitor arrivals and a desire to see these grown significantly in 2025, back to pre-Covid levels.

Much of the narrative around the WRAL Group's successes during the last few years has been due to the diversification strategy that has sustained the Group through the most challenging times in the airport's history. While overall earnings reflect a small deficit and have not materially changed year on year, the hotel business has still generated a cash flow surplus which it has been able to return to the group via loan and rent payments. This is helpful for the aeronautical business as the airport readies itself for the resumption of international

flights in 2025. Net of WRAL's investment to set up the trading business, the hotel has returned over \$3 million in cash proceeds to the wider WRAL Group since 2019.

Pleasingly the hotel continues to provide a best in class customer experience for Waikato hotels, consistently being rated the highest for various guest satisfaction metrics across a range of platforms. This is a credit to the work of the hotel operator JetPark and its team, complimented by the final refurbishment initiatives to the pool and gymnasium which further enhances the guest experience, with now all aspects of the property upgraded in the past five years of WRAL and JetPark Hotels' partnership in the venture.

The hotel also continues to outperform the market with above average occupancy and has shown growth in revenues across food and beverage and conferencing, in addition to room occupancy.



Mark Morgan
Chief Executive



Waikato Regional Airport Hotel Ltd - Interim Report - six months ended 31 December 2024 - 2

FINANCIAL STATEMENTS

Statement of Comprehensive Income

For the six month period ended 31 December 2024
(unaudited)

	2024 \$ '000	2023 \$ '000
Revenue		
Operating revenue	1,852	1,749
	1,852	1,749
Expenses		
Employee benefit expense	(841)	(807)
Other operating expenses	(876)	(758)
Depreciation & Amortisation	(386)	(415)
Finance costs	(21)	(20)
	(2,124)	(2,000)
Net profit/(deficit) before tax	(272)	(251)
Tax (expense)/credit	76	70
Net profit/(deficit) after tax	(196)	(181)
Other comprehensive income	-	-
Total comprehensive income	(196)	(181)

FINANCIAL STATEMENTS

Statement of Movements in Equity

For the six month period ended 31 December 2024
(unaudited)

Note	Share Capital \$ '000	Retained Earnings \$ '000	Total Equity \$ '000
Opening Balance - 1 July 2023	2,000	2,223	4,223
Net profit/(deficit) after tax	-	(181)	(181)
Other comprehensive income	-	-	-
Total comprehensive income	-	(181)	(181)
Dividends paid to shareholder	-	(100)	(100)
Closing Balance – 31 December 2023	2,000	1,942	3,942
Opening Balance - 1 July 2024	2,000	1,756	3,756
Net profit/(deficit) after tax	-	(196)	(196)
Other comprehensive income	-	-	-
Total comprehensive income	-	(196)	(196)
Dividends paid to shareholder	-	-	-
Closing Balance – 31 December 2024	2,000	1,560	3,560

FINANCIAL STATEMENTS

Statement of Financial Position

As at 31 December 2024
(unaudited)

	2024 \$ '000	2023 \$ '000
Current Assets		
Cash and cash equivalents	46	102
Trade and other receivables	105	168
Inventories	16	12
Related party advance receivable	3,404	3,601
	3,571	3,883
Non Current Assets		
Property, plant and equipment	400	562
Intangible assets	7	9
Lease assets	2,752	3,197
Deferred tax asset	150	118
	3,309	3,886
Total Assets	6,880	7,769
Current Liabilities		
Trade and other payables	358	415
Employee entitlements	172	186
Lease liabilities	332	338
	862	939
Non Current Liabilities		
Lease liabilities	2,458	2,888
	2,458	2,888
Total Liabilities	3,320	3,827
Net Assets	3,560	3,942
Equity		
Share capital	2,000	2,000
Retained earnings	1,560	1,942
Total Equity	3,560	3,942

FINANCIAL STATEMENTS

Statement of Cash Flows

For the six month period ended 31 December 2024
(unaudited)

	2024 \$ '000	2023 \$ '000
Operating activities		
Receipts from operations	1,912	1,789
Payments to suppliers and employees	(1,765)	(1,497)
Payment of income taxes	-	-
Net cash from/(used in) operations	147	292
Investing activities		
Purchase of property, plant & equipment	(17)	(20)
Net cash from/(used in) financing activities	(17)	(20)
Financing activities		
Receipt/(Repayment) of related party loan	(205)	(220)
Net cash from/(used in) financing activities	(205)	(220)
Net change in cash for the period	(75)	52
Add opening cash and cash equivalents balance	121	50
Closing cash and cash equivalents	46	102

PERFORMANCE REPORTING

Performance against Statement of Intent

For the six months ended 31 December 2024

Commencing 1 July 2023, Waikato Regional Airport Hotel Limited reports under a consolidated Statement of Intent for the WRAL Group as the company is wholly owned subsidiary of Waikato Regional Airport Limited. Accordingly, no separate performance report has been prepared for the Company.



Waikato Regional Airport Hotel Ltd - Interim Report - six months ended 31 December 2024 - 7

Item 7.1

Attachment D



JETPARK

HAMILTON AIRPORT HOTEL
& CONFERENCE CENTRE



jetparkhamilton.co.nz










INTERIM REPORT

For the six months ended 31 December
2024

KEY PERFORMANCE METRICS

Performance against our Statement of Intent

For the six months ended 31 December 2024

Measure	Result
 Industry contribution \$120,000 industry investment (excluding Visitor Guide) \$65,000 additional council investment - Waitomo/Ōtorohanga	↗ Achieved \$121,475, plus In-kind \$7,593 ↓ Withdrawn
 Commercial accommodation Maintain market share of total guest nights at 3% Grow market share of domestic guest nights to 4.2% (currently 3.7%) Encourage commercial operators to contribute to the Accommodation Data Plan	↗ 3.1% → 3.6% → In progress
 Visitor spend Maintain market share of domestic spend at 7%	→ 7.0% at yearend (November 2024)
 Business events Maintain market share of total business events at 6% Maintain market share of total delegate days at 7% Encourage venues to contribute to the BE Data Programme	↗ 8.2% at yearend (September 2024) → 6.7% at yearend (September 2024) → Well underway
 Media activity 10 media outlets hosted	→ 6 hosted: Cuisine; Kia Ora Magazine; Huckberry DIRT TV; Pedestrian.TV; talkSport UK Radio;
 Capability building Provide one-on-one support to at least 20 individual operators Deliver one industry symposium in the year, with target of 100 attendees	→ 11 to date → First Symposium held 23 October with 80 attendees. Second Symposium will be held 8 April
 People engagement Conduct an Industry Sentiment Survey Conduct a Staff Engagement Survey	→ Both are underway for April/ May 2025

FINANCIAL STATEMENTS

Statement of Comprehensive Revenue & Expense

For the six months ended 31 December 2024

	2024 \$ '000	2023 \$ '000
Council funding	554	672
Grant funding	59	15
Grant funding – STAPP grants	0	85
Industry & partnership funding	59	229
Interest and other income	16	12
Total revenue	688	1,013
Operating expenses from baseline operations	(214)	(228)
Operating expenses from STAPP grants	(0)	(18)
Employee benefit expense	(248)	(360)
Administration and other expenses	(152)	(147)
Depreciation & amortisation	(19)	(16)
Total expenses	(633)	(769)
Net surplus/(deficit) before tax	55	244
Tax (expense)/credit	(15)	(45)
Net surplus/(deficit) after tax	40	199

FINANCIAL STATEMENTS

Statement of Financial Position

As at 31 December 2024

	2024 \$ '000	2023 \$ '000
Current Assets		
Cash and bank accounts	443	719
Thermal Explorer Regional Event Fund bank account	316	435
Trade and other receivables	91	116
	850	1,270
Non Current Assets		
Property, plant and equipment	117	172
Deferred tax asset	21	21
	138	193
Total Assets	988	1,463
Current Liabilities		
Trade and other payables	51	105
Income received in advance	64	453
Thermal Explorer Regional Event Fund	315	429
Employee entitlements	53	67
	483	1,054
Total Liabilities	483	1,054
Net Assets	505	409
Equity		
Share capital	1	1
Retained earnings	505	408
Total Equity	505	409

FINANCIAL STATEMENTS

Statement of Cash Flows

For the six months ended 31 December 2024

	2024 \$ '000	2023 \$ '000
Cash flows from operations		
Receipts from council funding	722	1,065
Receipts from industry funding	123	241
Receipts from grants and other income	16	20
Payments to suppliers – baseline	(955)	(394)
Payments to suppliers – STAPP grants	-	(98)
Payments to employees	(248)	(361)
Payments of income taxes	(49)	(21)
Net operating cash flow	(391)	452
Investing & financing cash flows		
Sale of property, plant and equipment	-	-
Purchases of property, plant and equipment	(4)	(70)
Net investing cash flow	(4)	(70)
Net movement in cash for the period	(395)	382
Add cash on hand at beginning of period	1,154	337
Closing cash attributable to HWT	443	719
Add cash held on behalf of Regional Event Fund	316	435
Total closing cash on hand	759	1,154

7 Pūrongo me whakataurua | Decision Reports

7.2 CCO Performance Monitoring - Waikato Local Authority Shared Services Limited (Trading as Co-Lab) 2025/26 Draft Statement of Intent and Half-Yearly Report

CM No.: 3007218

Te Kaupapa | Purpose

The purpose of this report is to review and receive the draft Statement of Intent for 2025/26, as well as the Half-Yearly Report for Waikato Local Authority Shared Services Limited (Trading as Co-Lab). Council may wish to provide feedback on the draft Statement of Intent.

Rāpopotonga Matua | Executive Summary

Council Controlled Organisations (CCO's) are required by the Local Government Act 2002 (LGA) (subject to certain exemptions) to prepare and publish an annual Statement of Intent.

A Statement of Intent must include:

- a) The objectives of the group; and
- b) A statement of the board's approach to the governance of the group; and
- c) The nature and scope of the activities to be undertaken by the group; and
- d) The non-financial performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
- e) Any additional information that is required to be included in the statement of intent.

Co-Lab is a CCO jointly owned by the 12 councils in the Waikato region. Matamata-Piako District Council has a shareholding of 8.33%. Co-Lab's vision is 'Council collaboration through Co-Lab maximises community wellbeing' and their purpose is to 'support our councils to achieve this vision by helping them identify and realise shared opportunities'.

It is recommended that the report be received, and Council considers providing feedback on the 2025/26 Statement of Intent for Co-Lab.

Tūtohunga | Recommendation

That:

1. The report be received.
2. **A) Council approves Waikato Local Authority Shared Services Limited (Trading as Co-Lab) draft Statement of Intent 2025/26.**

OR

-
-
3. **B) Council provides feedback on Waikato Local Authority Shared Services Limited (Trading as Co-Lab) draft Statement of Intent 2025/26 [feedback to be specified].**
3. **Council receives Waikato Local Authority Shared Services Limited (Trading as Co-Lab) Half-Yearly Report to 31 December 2024.**

Horopaki | Background

Council Controlled Organisations (CCO) Reporting Requirements

CCO's are required by the Local Government Act 2002 (LGA) (subject to certain exemptions) to prepare and publish an annual Statement of Intent, and produce a Half-Yearly Report for shareholders on the entity's operations.

Waikato Local Authority Shared Services (Trading as Co-Lab).

Co-Lab was established in 2005 as a tool for member councils to enhance collaboration and identify opportunities for undertaking activities on a shared basis.

Co-Lab is a CCO owned by 12 local authorities in the Waikato region. Co-Lab's primary purpose is to enhance collaboration between councils, improve customer service and performance, and reduce costs. They aim to improve efficiency and effectiveness in council operations through collaboration by minimising duplications and promote best practice across councils.

Co-Lab's vision is that council collaboration through Co-Lab maximises community wellbeing. The company aims to achieve this vision by helping councils identify and realise shared opportunities. It achieves these outcomes by:

- Acting as an ideas laboratory for developing opportunities that create value to councils;
- Providing shared services to councils; and
- Entering joint procurement arrangements for the benefit of councils.

Council participates in the following initiatives:

Initiative Name	Description
Road Asset Technical Accord (RATA)	Enabling good practice roading and waters asset management.
Waikato Building Consent Group	Coordinated support to Building Consent Authorities.
Co-Lab Learning	Online e-learning and in-person training.
Co-Lab Geospatial Services	Manages Waikato geospatial data platforms Oneview &

	Data Portal.
Co-Lab Water Services	Sampling and analysis, Trade Waste and Smart Water.
Regional Infrastructure Technical Specifications (RITS)	Manages accepted products list for infrastructure projects.
Energy and Carbon Management	Supports councils to achieve good energy efficient practices and assess climate change impact.
Waikato Regional Transport Model (WRTM)	Enables integrates planning of land use and transport.

Draft Statement of Intent

Co-Lab have provided Council with their draft Statement of Intent 2025/26 for feedback. This is due back to Co-Lab by 1 May 2025. Following this process, the draft Statement of Intent will be finalised and brought back to Council to receive for information. Within one month of receiving the final Statement of Intent, it must be published on Council's website and maintained on the site for a period of no less than seven years.

Half-Yearly Report

The LGA also requires CCOs to produce a Half-Yearly Report within two months after the end of the first half of each financial year. Co-Lab's interim Half-Yearly Report to 31 December 2024 is attached to this report for information

Ngā Take/Kōrerorero | Issues/Discussion

Draft Statement of Intent

The draft Statement of Intent outlines Co-Lab's 3-year strategy. The strategy will see the company:

- Improve the way that it communicates the value it provides to shareholders, and increase that value
- Focus on growing shared services, which may include providing services to councils who are not shareholders, but never at the expense of value to shareholders, and
- Employ great people with diversity of thought so shareholders receive high-quality services.

This strategy is detailed below and centres around the following performance outcomes:

1. To reduce costs
2. To create value for councils
3. To enable innovation and change.

Statement of Intent at a glance - our 3-year strategy



To ensure delivery of the 3-year strategy, Co-Lab propose the following annual Key Performance Indicators (KPI).

Strategic goal	3-year Objective	Annual KPI
Shareholding councils understand we provide them value	<ul style="list-style-type: none"> We know the value we provide shareholders has improved by 15%, by 30 June 2027* <i>(baseline y/e 30 June 24).</i> By 30 June 2027, 80% of shareholders agree they get value from Co-Lab. All shareholders take up at least one additional shared service. <p><i>*Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).</i></p>	<ul style="list-style-type: none"> Year-on-year increase in the value we provide to councils. 80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey). Year-on-year increase in the utilisation of services we provide to councils.
Deliver value by growing the scale of our shared service function	<ul style="list-style-type: none"> 24 new instances of Co-Lab shared services being utilised, by June 2027 <i>(baseline y/e 30 June 24)</i> 	<ul style="list-style-type: none"> Year-on-year increase in the utilisation of services we provide to councils. Year on Year increase in the number of services available to councils.
Diverse, talented and motivated people work for us	<ul style="list-style-type: none"> Maintain staff engagement above 85% Staff turnover is less than 15%. Our vacancies are filled by suitable candidates within 3 months. <p><i>All baselined y/e 30 June 24)</i></p>	<ul style="list-style-type: none"> Maintain staff engagement above 85% Staff turnover is less than 15%. Vacancies are filled by suitable candidates within 3 months.

Half-Yearly Report

The Half-Yearly Report highlights multiple developments made by Co-Lab in the first half of the 2024/025 financial year. Firstly, the report notes the lack of commitment identified to pursue a food and alcohol licensing shared service, as only some councils expressed interest.

Six councils were interested in establishing a joint Management Training Programme, but the councils decided to not proceed with development of the programme.

Other projects that are in development and have received expressions of interest from councils include automated building plan checks, building consent processing hub and electrical vehicle (EV) charging network collaboration.

Importantly, the Half-Yearly Report discusses the future of Co-Lab Learning, with low utilisation, and in person training in particular, Co-Lab management conducted a review of the service. A rough concept of pivoting Co-Lab Learning towards a regional management-training programme was met with insufficient council interest to move forward. With only three councils confirming they wished to continue use of Co-Lab Learning, the service will be disestablished after 30 June 2025 but will be operational up until that date.

Mōrearea | Risk

If Council does not receive and consider the reports as prescribed in the LGA, there is a risk of non-compliance with statutory requirements.

Ngā Whiringa | Options

Council may approve the Co-Lab 2025/26 draft Statement of Intent as attached to this report, or may choose to provide feedback to Co-Lab prior to the finalisation of the document.

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

In accordance with the LGA, CCOs are required to prepare and publish an annual Statement of Intent. This Statement must be approved by the parent local authority. Upon receipt of the proposed Statement of Intent, the local authority has two months to provide feedback to the CCO.

Feedback must be submitted to Co-Lab by 30 April 2025, with the final version of the Statement of Intent to be issued in June

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

Having regard to the decision making provisions in the LGA and Councils Significance Policy, a decision in accordance with the recommendations is assessed as having a low 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	In consideration of the level of significance, no engagement is required.
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 low level of significance.
Section 82 – this sets out principles of consultation.	Public consultation is not required.

Policy Considerations





1. To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

The LGA requires Council to publish the **final** Statement of Intent and Half-Yearly Report on its website within one month of adoption and maintain the document on the website for a period of no less than seven years.

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

Matamata-Piako District Council's Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. 'The heart of our community is our people, and the people are the heart of our community.'			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

The community outcomes relevant to this report are 'a place to thrive' as Co-Lab's vision is 'Council collaboration through Co-Lab maximises community wellbeing' and their purpose is to 'support our councils to achieve this vision by helping them identify and realise shared opportunities'.

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

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

Ngā Tāpiritanga | Attachments

[A↓. DRAFT Co-Lab 2025/26 Statement of Intent](#)



[B↓.](#) Co-Lab Half-Yearly Report to 31 December 2024



Ngā waitohu | Signatories

Author(s)	Charlotte Walker Kaitohu Kaupapahere Paetahi Graduate Policy Advisor	
Approved by	Niall Baker Kaiārahi Tīma Kaupapahere Policy Team Leader	
	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	

CO-LAB

2025 Statement of intent

For the year ended 30 June 2026

**Council collaboration through Co-Lab
maximises community wellbeing.**

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This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Ltd trading as Co-Lab (Co-Lab). It outlines the nature and scope of the work it will undertake, the Directors' accountabilities to the shareholders for corporate performance and financial forecasts, as required by Schedule 8 of the Local Government Act 2002. This information is provided in relation to the financial years ended 30 June 2026 to 30 June 2028.

Message from the Chair



As we continue to navigate the dynamic impact this government is having on local government, we remain focused on our three-year strategy underpinned by our three-pronged approach: delivering shared services well, leveraging international research into shared services to identify and help establish the case for new opportunities, and collaborating with smaller, willing coalitions of shareholders.

Our role in supporting the Waikato Water Done Well initiative is a testament to shareholding councils' foresight to have a vehicle for working together. While we have played an important role in getting this long-term project off the ground, we also recognise there will be a need for greater shared service arrangements covering activities councils undertake in areas other than water service delivery. We will enable you to explore these to their fullest potential.

A significant change this year is that our forecasts now reflect the disestablishment of Co-Lab Learning by 30 June 2025. This is a really disappointing outcome. With the exception of Waikato Regional Council, you all undertake the same activities and operate under the same legal and regulatory framework. Given that, the opportunity to reduce duplication of effort in upskilling your staff must be significant. The fact that councils have not seen the value in doing so is perplexing. It is understandable that, in at least one instance, the service was a victim of broader cost-cutting by Council. We have previously said that shared services will succeed where councils lean in to make it happen. The case of Co-Lab Learning has highlighted the cost of when they do not, despite significant time and effort invested to get it up and running.

Central government has made it clear that regional collaboration is essential, with shared services cited as a prime example. We are excited by the opportunities that regional deals might bring and believe that shareholding councils are well placed to mobilise by having a collaboration CCO already in place.

Last financial year, we supported you by reducing council member charges from what they otherwise would have been, by ~\$900k across our various workstreams. We were able to do this by using cash-on-hand. We signalled at the time that this reduction was a 'one-off' measure. To remain in a sustainable financial position longer term, charges are returning to 'normal' levels and we are pleased to reflect only a small increase of 2.6% in expenditure which is slightly above CPI at 2.2%¹. Due to the one-off use of cash-on-hand that substantially lowered member charges last year, we recognise that the member charges may seem significantly higher by comparison. To address this, we are planning additional communications with Councils to ensure this context is clearly understood.

We will continue to identify opportunities that will reduce Councils costs in the long term by councils working together to make a dollar, save a dollar, or improve the deliverables to Councils and their communities.

Yours Sincerely,

Peter Stubbs
Chair

¹ CPI as at December 2024, Statistics NZ.

Statement of Intent at a glance - our 3-year strategy



Commentary

Co-Lab will continue to operate under its 3-year strategy which was adopted from the 2024 Statement of Intent.

Performance measures

To ensure we deliver against our 3-year strategy, consistent with last year, we are using the following annual Key Performance Indicators (KPI).

Strategic goal	3-year Objective	Annual KPI
Shareholding councils understand we provide them value	<ul style="list-style-type: none"> We know the value we provide shareholders has improved by 15%, by 30 June 2027* <i>(baseline y/e 30 June 24).</i> By 30 June 2027, 80% of shareholders agree they get value from Co-Lab. All shareholders take up at least one additional shared service. <p><i>*Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).</i></p>	<ul style="list-style-type: none"> Year-on-year increase in the value we provide to councils. 80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey). Year-on-year increase in the utilisation of services we provide to councils.
Deliver value by growing the scale of our shared service function	<ul style="list-style-type: none"> 24 new instances of Co-Lab shared services being utilised, by June 2027 <i>(baseline y/e 30 June 24)</i> 	<ul style="list-style-type: none"> Year-on-year increase in the utilisation of services we provide to councils. Year on Year increase in the number of services available to councils.
Diverse, talented and motivated people work for us	<ul style="list-style-type: none"> Maintain staff engagement above 85% Staff turnover is less than 15%. Our vacancies are filled by suitable candidates within 3 months. <p><i>All baselined y/e 30 June 24)</i></p>	<ul style="list-style-type: none"> Maintain staff engagement above 85% Staff turnover is less than 15%. Vacancies are filled by suitable candidates within 3 months.

Nature & scope of services

Co-Lab has three main functions. It:

1. Acts as an “ideas laboratory” – working with councils to investigate and develop opportunities to work together;
2. Delivers shared services to councils; and
3. Enters joint procurement arrangements.

Opportunity Development

Co-Lab seeks to develop opportunities that will reduce costs, create value for councils, and/or enable innovation.

If you'd like more information on the Opportunity Development Projects we are currently investigating, please get in touch.

Shared Services

A list of our shared services follows below. We also facilitate other shared initiatives but do not actively manage them as a shared service. This includes the Shared Valuation Data Scheme and the Health and Safety Pre-Qualification Scheme.

Some services have evolved but for the most part, they remain largely unchanged from prior years.

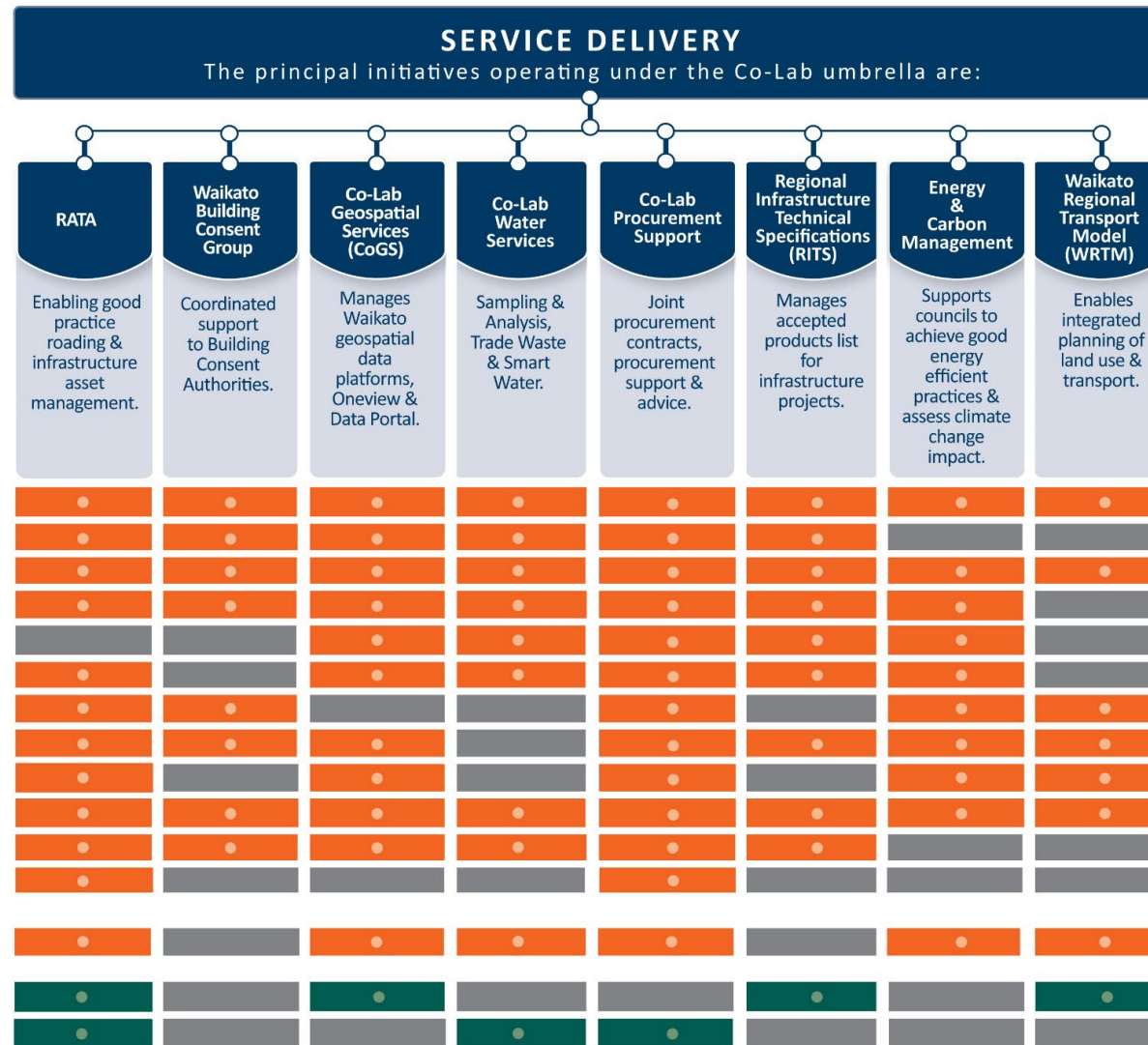
A change to the services from past years that should be highlighted is the disestablishment of Co-Lab Learning by 30 June 2025.

Co-Lab Water Services has been forecast to remain with Co-Lab for the period. This may be impacted by the outcome of the water reforms. Certainly, over time there will be some consolidation of the customer base. But with at least two water services CCOs being established in the Waikato during the forecast period we think it makes sense that Co-Lab continues to provide these services to the CCOs and the councils who are not part of them. We will be discussing this with participating councils in the near future but want to assure them that there will be continuity of service.

For more information on our services, please visit our website www.colabsolutions.govt.nz

Joint procurement

Co-Lab enters joint procurement arrangements for the benefit of councils, with a focus on value for money and supply certainty. As part of this Co-Lab operates two panels - a professional services panel and a legal services panel - to provide easy and compliant access to these services. It also manages a number of joint contracts with suppliers that councils can be part of.



Financials

Overview

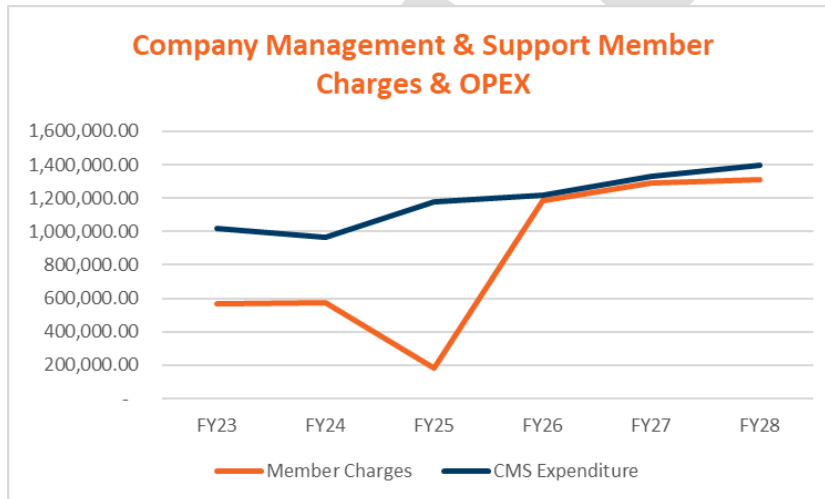
Services

Revenue from services increases in the 2025/26 financial year (FY), as historically we have utilised cash surpluses across the workstreams wherever possible to minimise the cost to councils.

Member charges

In FY2025, while we utilised cash reserves and surplus revenue from some services to significantly lower member charges as a “one-off” measure for that year, we did indicate that member charges would return to “normal levels” for FY2026 and beyond. For some councils that does result in a significant increase in member charges when compared to last year. However, we are pleased to reflect only a 2.6% increase in expenditure which is only slightly above CPI at 2.2%.

Having utilised cash reserves in part for the last four years and then fully utilising cash reserves in FY25, we now need to at least break even within Company Management & Support to remain financially sustainable. The utilisation of cash reserves is reflected in the historical gap between expenditure and member charges in the below chart. However, we are still operating as a very lean organisation as reflected by expenditure in the chart.



A large part of the expenditure increase in FY2025 is attributed to the way we fund cross-council infrastructure procurement. We brought this resource under Company Management & Support and accordingly funded through member charges. We committed to an 18-month trial and are now in the process of conducting a review of its success or otherwise.

There are opportunities to reduce member charges in the future:

1. Where possible, we are incorporating the cost of Co-Lab’s company management and administration into Shared Services charges to better reflect the true cost of delivery.
2. If more Shared Services are taken up, our scale of operation increases, allowing us to share operational costs across a broader base, without necessarily increasing overhead costs. For reference, over the last six years, nine opportunities have been declined.
3. Our financial forecasts do not assume any new revenue from growing the services with councils outside the shareholding base as this cannot be accurately predicted. However, as you will

know from our 3-year strategy, we are actively pursuing such opportunities provided they don't undermine our ability to deliver value to you.

Our goal remains to minimise member charges.

Funding Cross-Council Infrastructure Procurement

We signalled in our last SOI our intention to change the

Statement of Financial Performance

Co-Lab Company Summary for the forecast financial years ended 30 June 2026-2028					
	Budget 2024/25	Forecast 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28
Income					
Company Management / Support ⁽¹⁾	589,962	590,125	1,575,153	1,700,149	1,736,413
Working parties projects	628,741	1,087,069	687,214	712,797	748,436
RITS	-	-	27,244	28,606.62	30,037
Energy Management	94,421	152,190	118,116	176,522	185,348
Shared Valuation Data Service (SVDS)	392,892	344,423	409,638	425,251	425,251
Road Asset Technical Accord (RATA)	2,082,874	2,279,118	2,615,840	2,209,250	2,500,000
Waikato Regional Transport Model (WRTM)	1,163,990	1,128,592	1,846,242	566,286	582,089
Waikato Building Consent Group	160,194	281,103	353,263	426,805	448,709
Waikato Mayoral Forum	10,130	10,130	10,960	11,508	12,083
Co-Lab Water Services	4,260,948	3,841,862	4,092,428	4,297,049	4,511,902
Procurement Support	193,442	194,370	200,748	210,785	221,324
Geospatial	31,677	92,539	87,006	91,356	95,924
Communications Resource	62,484	61,869	65,603	68,883	72,327
Total Income	9,671,754	10,063,390	12,089,454	10,925,248	11,569,844
Operating Expenditure					
Company Management / Support ⁽¹⁾	1,480,105	1,444,826	1,519,112	1,643,445	1,728,983
Working parties projects	628,741	1,119,497	687,214	721,575	757,653
RITS	24,469	40,650	27,244	28,607	30,037
Energy Management	144,421	136,547	168,116	176,522	185,348
Shared Valuation Data Service (SVDS)	302,063	289,755	310,618	320,407	330,512
Road Asset Technical Accord (RATA)	2,078,443	2,555,685	2,616,864	2,210,450	2,503,376
Waikato Regional Transport Model (WRTM)	1,163,990	1,078,593	1,846,242	566,286	582,089
Waikato Building Consent Group	360,194	372,577	405,323	426,805	448,709
Waikato Mayoral Forum	10,130	10,130	10,960	11,508	12,083
Co-Lab Water Services	4,021,258	3,634,293	3,983,494	4,161,669	4,369,752
Procurement Support	193,442	189,988	198,876	208,820	219,561
Geospatial	82,863	92,175	86,992	91,342	95,909
Communications Resource	64,001	60,710	64,756	68,293	71,393
Total operating expenditure	10,554,119	11,025,425	11,925,811	10,635,728	11,335,407
Earnings before interest, tax and depreciation/ amortisation (EBITDA)	(882,365)	(962,035)	163,643	289,520	234,437
Depreciation / amortisation					
Company Management / Support	44,087	18,623	44,087	46,292	48,606
WBCG	3,072	2,559	3,072	3,072	3,072
Procurement Support	1,872	2,793	1,872	1,872	1,872
Communications	840	840	840	840	840
WRTM	0	1,105	-	-	-
Total Depreciation / amortisation	49,871	25,920	49,871	52,076	54,390
Earnings before interest and tax (EBIT)	(932,236)	- 987,955	113,772	237,444	180,047
Net Surplus (Deficit) before tax	(932,236)	(987,955)	113,772	237,444	180,047

We are budgeting in all the forecasted years to utilise cash surplus on hand and future surplus from SVDS and Co-Lab Waters.

Statement of Financial Position

Co-Lab Financial Position for the forecast financial years ended 30 June 2026-2028					
	Budget 2024/25	Forecasted 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28
CAPITAL					
Shares - SVDS	1,607,001	1,607,001	1,607,001	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Retained Earnings	(759,319)	(1,180,419)	(2,168,374)	(2,054,602)	(1,817,157)
Plus Current Year Operating Surplus/(Deficit)	(1,004,542)	(987,955)	113,772	237,444	180,047
TOTAL CAPITAL FUNDS	1,193,140	788,627	902,399	1,139,844	1,319,890
ASSETS					
CURRENT ASSETS					
Prepayments	3,300	0	6,350	6,668	7,001
Accounts Receivable	505,883	503,170	604,473	546,262	578,492
Bank	1,845,494	1,466,919	1,080,642	1,325,595	1,588,179
GST Receivable / (Payable)	(30,554)	(75,700)	59,933	64,322	69,143
TOTAL CURRENT ASSETS	2,324,124	1,894,389	1,751,398	1,942,847	2,242,815
NON-CURRENT ASSETS					
WRTM - Intangible Asset	2,296,855	2,296,855	2,296,855	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	1,195	1,195	1,195
Accumulated Depreciation	(2,298,050)	(2,298,050)	(2,298,050)	(2,298,050)	(2,298,050)
IT Equipment & Office Furniture	197,500	185,000	197,500	197,500	197,500
Accumulated Depreciation - IT equipment & Office Furniture	(92,281)	(117,322)	(142,152)	(189,312)	(238,675)
TOTAL NON-CURRENT ASSETS	105,219	67,678	55,348	8,188	(41,175)
TOTAL ASSETS	2,429,343	1,962,067	1,806,745	1,951,035	2,201,640
LESS CURRENT LIABILITIES					
Accounts Payable	1,084,708	1,007,836	726,224	619,310	665,684
Accounts Payable Accrual	37,244	37,426	39,106	41,062	43,115
Employee Benefits	114,251	128,177	139,016	150,820	172,951
TOTAL CURRENT LIABILITIES	1,236,202	1,173,439	904,346	811,191	881,750
NET ASSETS	1,193,141	788,628	902,399	1,139,844	1,319,890

Statement of Cashflows

Co-Lab Statement of Cashflows for the forecast financial years ended 30 June 2026-2028					
	Budget 2024/25	Forecasted 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28
Cashflows from Operating Activities					
Interest Received / (Paid)	80,625	70,442	59,484	62,736	65,760
Receipts from Other Revenue	11,868,628	10,765,872	11,925,793	10,920,458	11,471,464
Payments to Suppliers	(11,879,652)	(12,488,792)	(12,200,737)	(10,728,936)	(11,264,792)
Taxes Paid	0	0	0	0	0
Goods & Services tax (net)	30,937	(75,623)	(135,633)	(4,389)	(4,821)
Net cash from operating activities	100,538	(1,728,102)	(351,093)	249,869	267,611
Cashflows from Investing Activities					
Capital enhancements	0	0	0	0	0
Purchase of PPE	(30,334)	(8,148)	(37,541)	(4,916)	(5,027)
Purchase of investments	0	0	2,358	0	0
Net cash from investing activities	(30,334)	(8,148)	(35,183)	(4,916)	(5,027)
Net increase in cash, cash equivalents and bank accounts	70,205	(1,736,250)	(386,276)	244,952	262,584
Opening cash and cash equivalents and bank overdrafts	2,164,346	3,202,301	1,466,919	1,080,642	1,325,595
Closing cash, cash equivalents and bank accounts	2,234,551	1,466,051	1,080,642	1,325,595	1,588,179
Summary of Bank Accounts					
BNZ - Call a/c	2,234,551	1,466,919	1,080,642	1,325,595	1,588,179
Closing Balance of Bank	2,234,551	1,466,919	1,080,642	1,325,595	1,588,179

1. Cross-council infrastructure procurement was brought under Company Management & Support in the 2024 Sol. We committed to an 18-month trial and are now in the process of conducting a review.

Appendix I: Governance

Co-Lab² is owned in equal portion by the 12 Waikato Local Authorities³:

- Hamilton City
- Hauraki District
- Matamata Piako District
- Ōtorohanga District
- Rotorua Lakes District
- South Waikato District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipa District
- Waitomo District
- Western Bay of Plenty District

Co-Lab's⁴ vision is that council collaboration through Co-Lab maximises community wellbeing. The company's purpose is to achieve this vision by helping councils identify and realise shared opportunities. It achieves these outcomes by:

- Acting as an ideas laboratory for developing opportunities that create value to councils;
- Providing shared services to councils; and
- Entering joint procurement arrangements for the benefit of councils.

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

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

The current Directors of Co-Lab (noting this will change in the final SOI) are:

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
Lance Vervoort	Hamilton City Council
Ben Smit	Ōtorohanga, Rotorua, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipā District Councils
John Holyoake	Hauraki, Matamata-Piako, Thames-Coromandel District and Western Bay of Plenty District Council

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

⁴ Co-Lab is the trading name of Waikato Local Authority Shared Services Ltd

Appendix II: Policy Statements

Statement of accounting policies

Reporting entity

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

The primary objectives of the Company are to:

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

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

Summary of significant accounting policies

Basis of preparation

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

Statement of Compliance

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

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

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

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

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

Measurement base

The financial statements are prepared on a historical cost basis.

Presentation currency and rounding

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Critical accounting estimates and assumptions

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

Intangible assets

Useful lives and residual values

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

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

Impairment of intangible assets

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

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

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

Revenue

Revenue

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

Other Revenue

Member charges for all activities are recognised when invoiced to the user (i.e. councils). The recorded revenue is the net amount of the member charges payable for the transaction.

Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. Until such time, contributions are recognised as liabilities.

Operating expenses

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

Personnel costs

Defined contribution schemes

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

Receivables

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

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

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

Cash and cash equivalents

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

Income tax

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

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

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

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

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

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

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

Intangible assets Other financial assets

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

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

Payables and deferred revenue

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

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

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

Employee benefits liabilities

Short-term employee entitlements

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

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

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

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

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

Presentation of employee entitlements

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

Reconciliation of equity

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

Contributed equity

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

Retained earnings

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

DRAFT

COLLAB

Half-yearly report (un-audited)

1 July 2024 to 31 December 2024

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Collaboration & Partnership
 We are better together | *He hunga toa takitini*
 We collaborate and partner by:

- Building kotahitanga and respect
- Delivering together
- Focussing on community benefits
- Valuing diversity

Integrity
 We do the right thing | *He hunga whai i te tika*
 We act with integrity by:

- Being accountable and honest
- Trusting and listening
- Having courage
- Behaving in good faith

Innovation
 We transform ideas into results
He hunga whai i te tika
 We innovate by:

- Thinking boldly
- Being solution focused
- Challenging perceptions
- Embracing change

Statement of service performance

Co-Lab¹ is a council-controlled organisation (CCO) owned by councils across Waikato and Bay of Plenty. Our vision is that council collaboration through Co-Lab maximises community outcomes.

To achieve this, we have three main functions:

1. We act as an “ideas laboratory” – working with councils to investigate and develop opportunities to work together
2. We deliver shared services to councils
3. We enter joint procurement arrangements.

By undertaking these activities, we provide three key benefits to councils:

1. Reduce costs through, for example, efficiency gains in FTE or time, procurement savings and reducing unit cost of product/ service
2. Create value, by improving levels and quality of service, increasing skills, expertise or compliance and improving decision making
3. Enable innovation and change for example via research & opportunity development, by providing centres of expertise/skills, by facilitating collaboration and regional insights and enabling councils to provide a consistent customer experience.

This report comments on projects and shared services that have substantial activity to report over the first half of the financial year.

Opportunity development highlights

Food & Alcohol Licensing Shared Service

We adopted a bold approach to exploring new shared service opportunities, aiming to either gain support quickly or 'fail fast.' Councils were presented with a Letter of Support to explore a shared service for *Food & Alcohol Licensing*. They were asked to commit to participating in a co-design process, with the understanding that they would adopt the shared service if specific success criteria were met at the completion of its design. While several councils expressed interest in the concept, there was ultimately not enough commitment to move forward.

Right People Right Place

The Right People, Right Place project considered what councils can do (collectively and individually) to meet current and future workforce requirements. The significant shift in the employment market since this project commenced eased the urgency and motivation of councils to progress any initiatives identified during the investigation. However, two initiatives were considered in more detail. Although six councils were interested in establishing a joint Management Training Programme, ultimately, they decided not to proceed. There were also seven Councils interested in a regional approach to promoting council careers. This will be assessed further in 2025 but was deprioritised against other work commitments.

¹ Co-Lab is the trading name of Waikato Local Authority Shared Services Ltd

Automated Building Plan Checks

One way opportunity development has evolved is that we have undertaken some research to look beyond our borders seeking examples of shared services that could be beneficial to Councils. During this research we found a successful initiative in Victoria, Australia where planning submissions are initially checked automatically to speed up the approval process. Subsequently we have been investigating the feasibility of doing something similar for building consent applications and development of the opportunity is ongoing.

Building Consent Processing Hub

Seven Councils explored options for a Building Consent Processing shared service. The group recommended that we establish a hub to handle building consent applications that exceed Council staff capacity. A high-level operational model was defined, and we are now progressing the opportunity.



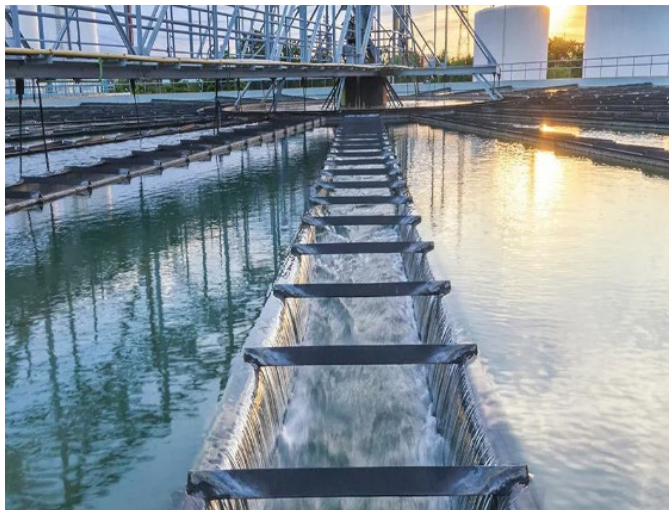
Electric Vehicle (EV) Charging Network Collaboration

We investigated an opportunity for Councils to support economic development and the reduction in transport emissions by making Council land available for publicly accessible EV chargers. Working together will increase Councils' ability to attract investment in the region from EV charging infrastructure providers (charge point operators). We got support from nine Councils to undertake an expression of interest that will enable an assessment of the financial viability of taking a collective approach.

Waikato Water Done Well

This project was separately funded by the Participating Councils involved.

For the regional Waikato Waters Done Well (WWDW) project, we supported councils and the lead consultant in investigating the merits of aggregating water services in response to the Government's Local Water Done Well policy. This work culminated in seven councils signing a Heads of Agreement in December to explore an aggregated water service delivery model. We provided project management, financial, communication and administrative support.



Service delivery highlights

Co-Lab Water Services

The Trade Waste team presented at the Trade and Industrial Waters Conference (TIWF) in August on improvements in trade waste breaches. Sirri Smith, Smart Water Coordinator, opened the Water Efficiency & Conservation Network (WE CAN) workshop at the Water NZ Conference in September. Sirri showcased Smart Water Schools alongside other water conservation education initiatives in New Zealand. Sirri also attended the Kirikiriroa Field Day where she was one of many environmental educators presenting to different schools across the Waikato.

Through the Compliance Network meetings that we facilitate, 45 people across 14 Councils and organisations met to discuss topics of interest including drinking water safety plans, quality assurance rules, cross connections and water demand. Presentations were from NIWA, Watercare and Taumata Arowai, among others.

During the period, the Sampling & Analysis Team played a pivotal role in the arsenic response for Councils. The Sampling & Analysis team collected approximately 5,300 samples and completed 43,000 tests over the period.

The Trade Waste Team managed approximately 3,000 active consents, 370 consents, 1,100 audits, and 130 non-compliances.

We worked with Councils' Environmental Health teams to ensure we had identified and consented all potential trade waste customers. Our list of potential customers started at approx. 1,700 and most of them were contacted and consented as required.

We reviewed options for the delivery of the Smart Water service and met with our Councils to discuss their water education requirements and how we can support them with this.

RATA

During the period we progressed the programme of 46 Asset Management related projects and services on behalf of 10 Councils across the Waikato. Due to resource shortages, the focus for the first half of the financial year was on the delivery of core roading-related services.

We completed the re-tender of the core road data collection contracts for traffic counting, pavement strength testing (FWD), and footpath condition assessment) across 9820km of Waikato Council roads).

We also completed improved delivery and performance tracking of the traffic counting suppliers' contracts (delivering approximately 1200 counts per year). Western Bay of Plenty District Council also joined for the delivery of these contracts, resulting in a reduced cost of managing the contracts across the group of Councils.

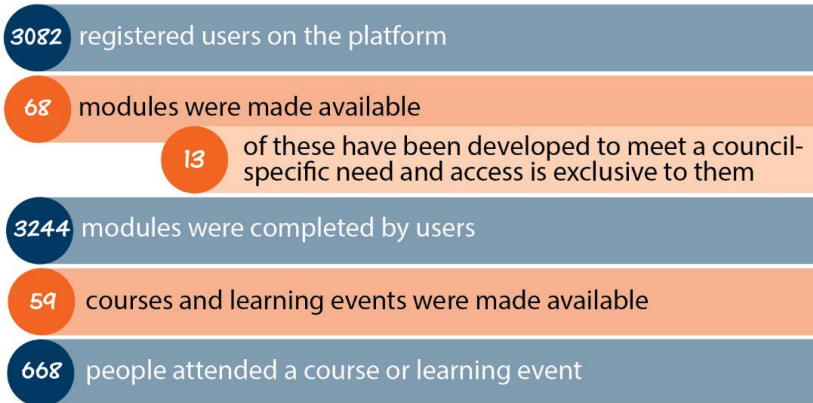
The Spaces and Places Rōpu commenced (management of community assets), with good participation and feedback from participating Councils at the recent Spaces and Places Forum.



5

Co-Lab Learning

In numbers



During the period, we developed and launched a full suite of digital induction tools for Hauraki District Council, and bespoke modules for Waikato Regional Council, South Waikato District Council, Hauraki District Council, and Hamilton City Council.

Engagement with regional Health & Safety Managers supported the development of two new health & safety modules, with more in the pipeline for 2025.

Future of Co-Lab Learning

Low utilisation of Co-Lab Learning (CLL) - in person training in particular - led to Management reviewing the service. It was suggested that Co-Lab Learning could pivot to provide a regional management training programme, and although a rough design was discussed, ultimately there was insufficient council interest to move forward. Management then met with Participating Councils to confirm their ongoing intention to utilise CLL for e-learning and/or training administration post the end of the initial term of the Service Level Agreement. Only three Councils confirmed they wanted to continue utilising the service. At the time of writing, the Co-Lab Board has agreed with Management's recommendation to disestablish the service. The service will still be operational until 30 June 2025.

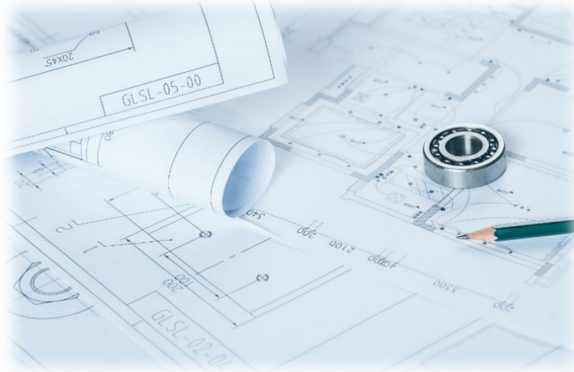
This is a really disappointing outcome to what should be an obvious area to streamline activity and reduce duplication of effort.

Regional Infrastructure Technical Specification (RITS)

The RITS (Regional Infrastructure Technical Specifications) is a set of engineering specifications managed by Co-Lab on behalf of Waikato Councils. Currently, nine Councils utilise the RITS. The existing version was developed in 2016/2017 and adopted in 2018.

Over the past 2 years (2023/2024), the RITS has undergone a thorough review, with proposed updates to its content, including text, drawings and links.

In November, version 2b was shared with stakeholders, including Councils and other key agencies, to gather feedback on the proposed changes. This feedback will be incorporated into RITS v2, which will then be submitted to member Councils for adoption. The RITS will then become an online e-document, designed with a structure and search functionality similar to a Council e-plan. It will be available at our website.



Waikato Regional Transport Model (WRTM)

Restructure & governance

During the period, significant progress was made in refining the governance structure of the WRTM programme. These efforts have been conducted collaboratively with our funding partners to ensure alignment and transparency across all stakeholders.

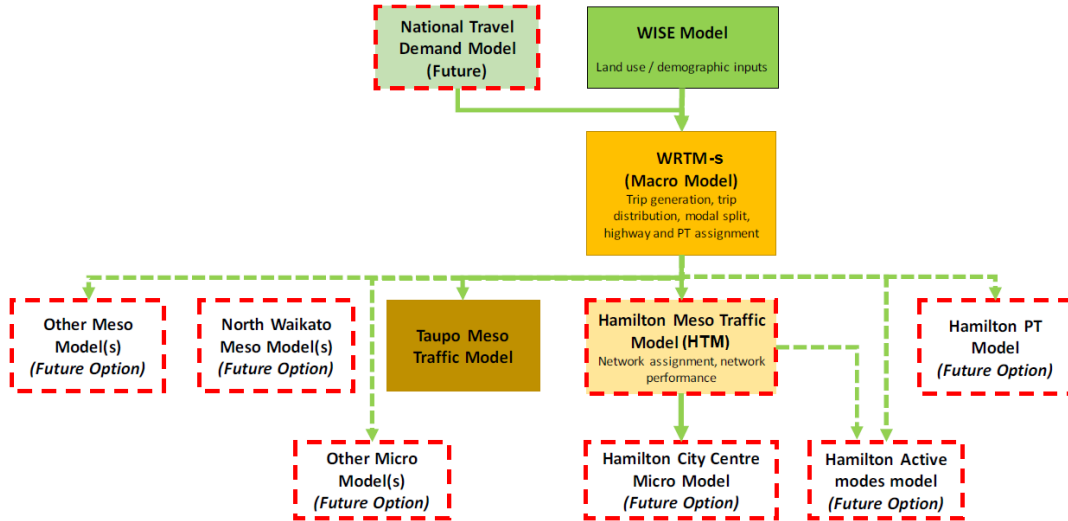
1. Governance Committee Terms of Reference:
 - A comprehensive Terms of Reference (ToR) document was developed and approved by the Governance Committee. This document clearly defines the roles, responsibilities, and decision-making processes for the committee, aligning with the strategic objectives of the WRTM program.
2. New Multi-Party Funding Agreement:
 - A revised Multi-Party Funding Agreement (MPFA) was created and circulated for review among the funding partners. This agreement outlines the shared financial responsibilities and collaboration mechanisms essential for the program's sustainable operation.
3. New Service Agreement:
 - A new Service Agreement was drafted to define the scope and quality of services provided under the WRTM program. The agreement emphasises accountability, clear reporting structures, and performance standards.

All these documents represent a collaborative effort with our funding partners, reflecting a shared commitment to enhancing the program's governance and operational efficiency.

WRTM model suite

The WRTM consists of a suite of transport models tailored for the region (Figure 1). Demand modelling is conducted at the regional level, while lower-tier models assess the performance of various transport networks.

Figure 1- WRTM model hierarchy



During the period, the WRTM-s model was upgraded to include public transport and mode choice to accommodate high-growth scenarios for 2025, 2035, 2045, and 2055. The WRTM-s has provided demand data to the Hamilton Transport Model (HTM), which is expected to be completed by January 2025. A feasibility study was conducted as the first stage of the WRTM-s overhaul. We are now in the procurement phase for a new model to replace the existing WRTM-s, with delivery anticipated by 2026.

Co-Lab Geospatial Services

During the period we continued our focus on achieving the service’s Strategic Plan 2023 -2026, working towards the vision of *our people trust regional geospatial knowledge to make better decisions.*



Our activity was aligned to the following objectives:

1. Make geospatial information complete and trustworthy
 - Replaced retired datasets and updated FME flows.
 - Resolved broken links between data.govt.nz and Waikato Data Portal, so our data is now up to date on the service. Where required, information was provided to Councils to implement fixes.
 - Automated data copying to the Waikato Data Portal, saving Councils time and effort. This work will continue for the rest of the financial year.
2. Ensure a great user experience
 - Launched helpdesk system and implemented fortnightly triage meetings.
 - Error reporting process is created if an FME process breaks.
 - Undertook website review and launched enhancement project (more on this below).

3. Identify and initiate collaborative projects
 - Provided networking opportunities through the Geospatial Forums
 - Provided support for WaiGIS

Website enhancement project

During the period, we commissioned a review of our current web presence, which identified issues and rated them based on their impact on the user experience.

The Advisory Group recommended that we remove all sub-sites and have all content reside only on the ArcGIS Hub. We are also migrating to ArcGIS Experience Builder and this is planned to launch in early 2025.

Regional Procurement

Professional Services Panel renewal

During the period, subject matter experts from the four Councils leading the renewal project (Hamilton City, Waikato District, Waikato Region and Waipa District) evaluated submissions to join the new Panel agreement, which this time round is made up of multiple tiers.

The Panel arrangement has a strong focus on building relationships with suppliers, which includes quarterly performance reporting for all suppliers and regular relationship meetings with the Tier One suppliers.

The Panel will provide benefit to Councils through pre-agreed rates and rate increases, a rebate structure, and a more efficient and relationship-based engagement process.

The old Professional Services Panel (PSP) concluded November 2024.

Currently, only the four lead Councils are users of the new Panel although the offer to join the new Panel was extended to the other Councils.



Company support highlights

We celebrated the efforts of some of our people with our annual End of Year Colleague Awards in December 2024. The winners were:

- Integrity Award: Jenny Grace
- Innovation Award: Sarah Wilson
- Collaboration & partnership Award: Natalie Allam
- Team Member of the year: Tania Williams

We continued our Co-Lab Shouts to our Councils to increase awareness internally of what we do as their CCO. We met with 8 of the 12 shareholding Councils.

We focused on our own continuous improvement by kicking off an internal file management review and bedding in our use of Monday.com. The latter is supporting better relationship management, opportunity development project management, and day to day tasks for some of our shared services. We started reviewing our IT support and preparing a new intranet site.

We continued to facilitate our Working Party Groups, the Waikato Mayoral Forum and the Joint Mayors and Iwi Chairs Forum with administrative support.

Most of the corporate support are involved in the Waikato Water Done Well project.

Performance framework (our 3-year strategy)



Assessment of performance against targets

An update on performance against the targets set in our Statement of Intent, as at 31 December 2024, is shown in the table below.

Strategic goal	3-year Objective	Annual KPI	Progress towards annual KPI
Shareholding Councils understand we provide them value	<ul style="list-style-type: none"> We know the value we provide shareholders has improved by 15%, by 30 June 2027* <i>(baseline y/e 30 June 23).</i> By 30 June 2027, 80% of shareholders agree they get value from Co-Lab. All shareholders take up at least one additional shared service. <p><i>*Based on the regional benefits of collaboration (not an individual Councils' benefits from collaboration).</i></p>	<ul style="list-style-type: none"> Year-on-year increase in the value we provide to Councils. 80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey). Year-on-year increase in the utilisation of services we provide to Councils. 	<ul style="list-style-type: none"> Due to the PSP renewal, we are unable to fully calculate the increase in value YoY at the time of writing. We hope to have the required data from all councils shortly. As usual, this will be measured by our annual shareholder survey in May 2025. In May 2024 we achieved 84%. To date, the utilisation of services has increased by 2:
Deliver value by growing the scale of our shared service function	<ul style="list-style-type: none"> 24 new instances of Co-Lab shared services being utilised, by June 2027 <i>(baseline y/e 30 June 23)</i> 	<ul style="list-style-type: none"> Year-on-year increase in the utilisation of services we provide to Councils. Year on Year increase in the number of services available to Councils. 	<ul style="list-style-type: none"> As above, to date, the utilisation of services has increased by 2. No new shared services were available to shareholding Councils in the 6 months to 31/12/24 (and as noted earlier Co-Lab Learning will be wound up by the middle of this year). Despite interest,

Strategic goal	3-year Objective	Annual KPI	Progress towards annual KPI
			ultimately Councils chose not to collaborate on a management training programme.
Diverse, talented and motivated people work for us	<ul style="list-style-type: none"> • Maintain staff engagement above 85% • Staff turnover is less than 15%. • Our vacancies are filled by suitable candidates within 3 months. <p><i>All baselined y/e 30 June 23)</i></p>	<ul style="list-style-type: none"> • Maintain staff engagement above 85% • Staff turnover is less than 15%. • Vacancies are filled by suitable candidates within 3 months. 	<ul style="list-style-type: none"> • As usual, this will be measured by our annual staff survey in May 2025. In May 2024 we achieved 87%. • Staff turnover was 0% in the 6 months to 31/12/24 (Co-Lab employed staff). • There were no vacancies in the 6 months to 31/12/24 (Co-Lab employed staff).

Co-Lab's financial position

Summary

The financial results for the six months to 31 December 2024 are favourable to budget. This is largely due to savings made in Company Management & Support, RATA and Co-Lab Water Services. For the full year we are currently forecast to be on budget, however, we will be looking to identify more areas where savings can be made to have a surplus to carry into the next financial year to reduce member charges in FY26.

The cash position as at 31 December 2024 is made up as follows:

	Cash balance @ 1/07/2024	Cash surplus / (deficit)	Cash balance @ 31/12/2024
Company Management & Support	296,354	115,050	411,405
RITS	153,105	28,330	181,435
Working Parties Projects	62,860	(25,551)	37,309
Information Technology	0	0	0
Energy Management	49,061	79,762	128,822
Shared Valuation Data Service (SVDS)	544,174	0	544,174
Road Asset Technical Accord (RATA) & Waters Collaboration	180,923	(45,337)	135,585
Waikato Regional Transport Model (WRTM)	2,217	(17,096)	(14,879)
Waikato Building Consent Group (WBCG)	246,906	(32,689)	214,217
Mayoral Forum	(17,906)	11,346	(6,559)
Co-Lab Water Services	0	0	0
Co-Lab Learning	72,680	8,307	80,987
Procurement	0	(872)	(872)
Geospatial Services	99,303	(13,808)	85,495
Communications Shared Resource	589	(19,970)	(19,381)
Accounts Receivables	(1,516,869)	(579,692)	(2,096,561)
Accounts Payables	3,161,089	(1,522,959)	1,638,130
Total	3,334,487	(2,015,179)	1,319,308

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

We will be reforecasting in March and will reassess the likely year-end cash position for each workstream at that time and take this into account in the company's finalised Statement of Intent issued in June 2025.

Statement of financial performance

Co-Lab

Statement of Financial Performance

For the six months ending 31 December 2024

	Financial year 2025 YTD Actuals	Financial year 2025 YTD Budget	Financial year 2024 YTD Actuals
Revenue			
SVDS Data & Software Sales	169,660	191,618	167,272
Interest	48,047	35,238	1,191
Other Revenue			
User Charges	5,011,217	4,604,561	4,299,678
Total Other Revenue	5,011,217	4,604,561	4,299,678
Total Revenue	5,228,924	4,831,417	4,468,141
Expenditure			
Depreciation and amortisation expense	13,329	25,371	16,443
Personnel costs	842,315	907,755	754,360
Other expenses	4,295,839	4,380,572	4,016,988
Total Expenditure	5,151,483	5,313,698	4,787,791
Net Profit	77,441	(482,281)	(319,650)

Statement of financial position

Co-Lab		
Statement of Financial Position		
As at 31 December 2024		
	Financial year 2025 Actual at 31/12/2024	Financial year 2024 Actual at 31/12/2023
Assets		
Current Assets		
Bank		
Transaction Account	220,217	482,800
Call Account	30,643	29,837
Rapid Save Account	1,068,448	700,785
Term Deposit	0	950,000
Total Bank	1,319,308	2,163,422
Accounts Receivable		
Accounts Receivable	759,588	1,098,465
Accounts Receivable Accruals	1,327,579	1,159,051
GST Receivable	7,036	116,761
Total Accounts Receivable	2,094,203	2,374,277
Prepayments	0	0
Deferred Tax Asset	2,358	2,358
Total Current Assets	3,415,869	4,540,057
Non-current Assets		
SVDS - Original Cost	0	0
WRM - Original Cost	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195
IT equipment	113,400	110,101
Accumulated Depreciation	(2,401,914)	(2,372,700)
Office Furniture	66,751	66,751
Total Non-current Assets	76,287	102,202
Total Assets	3,492,156	4,642,259
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	446,197	1,077,418
Accounts Payable Accrual	669,285	533,030
Total Accounts Payable	1,115,483	1,610,448
RWT on Payments	0	0
Credit Card Balance	1,580	2,296
Revenue in Advance	336,090	828,695
Employee Entitlements	184,978	24,070
GST Payable	0	0
Total Current Liabilities	1,638,130	2,465,509
Total Liabilities	1,638,130	2,465,509
Net Assets	1,854,026	2,176,750
Equity		
Contributed Capital	2,957,001	2,957,001
Retained Earnings	(1,102,975)	(780,251)
Total Equity	1,854,026	2,176,750

Statement of cashflows

Co-Lab

As at 31 December 2024

For the six months ending 31 December 2024

	Financial year 2025 YTD Actuals	Financial year 2024 YTD Actuals
Cashflows from Operating Activities		
Interest Received	48,020	1,071
Receipts from Other Revenue	4,342,299	4,748,701
Payments to Suppliers and Employees	(6,111,654)	(4,464,435)
Taxes Paid	0	0
Goods & Services tax (net)	(158,360)	(416,883)
Net cash from operating activities	(1,879,695)	(131,546)
Cashflows from Investing Activities		
Capital enhancements	0	0
Purchase of PPE	(3,299)	(18,147)
Purchase of investments	0	0
Net cash from investing activities	(3,299)	(18,147)
Net increase in cash, cash equivalents and bank accounts	(1,882,994)	(149,693)
Opening cash and cash equivalents and bank overdrafts	3,202,302	2,313,115
Closing cash, cash equivalents and bank accounts	1,319,308	2,163,422
Summary of Bank Accounts		
BNZ - Transaction Account	220,217	482,800
BNZ - Call Account	30,643	29,837
BNZ - Rapid Save Account	1,068,448	700,785
BNZ - Term Deposit	0	950,000
Closing Balance of Bank	1,319,308	2,163,422

Policies

The accounting policies on which the preceding financial statements have been prepared are consistent with those used in preparing the Financial Statements for the year ended 30 June 2024, included in the company's Annual Report.

Financial forecasts

Latest financial forecasts are contained in the company's 2025 Statement of Intent issued for shareholder comment in February 2025.

Governance

Co-Lab is owned in equal portion by 12 Local Authorities:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Ōtorohanga District
- Rotorua Lakes
- South Waikato District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipā District
- Waitomo District
- Western Bay of Plenty District

During the period, the Directors of Co-Lab were:

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
Lance Vervoort	Hamilton City Council
Ben Smit	Ōtorohanga, Rotorua Lakes, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
John Holyoake	Hauraki, Matamata-Piako, Thames-Coromandel and Western Bay of Plenty District Councils

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

Nature & scope of activities

The principal initiatives operating under the Co-Lab umbrella are:

Services

- Co-Lab Water Services
- Co-Lab RATA
- Co-Lab Learning
- Energy & Carbon management
- Co-Lab Procurement Services
- Co-Lab Geospatial Services: Waikato Data Portal and Waikato One View
- Waikato Building Consent Group (WBCG)
- Waikato Regional Transportation Model (WRTM)
- Regional Infrastructure Technical Specification (RITS)

Other

- Waikato Regional Infrastructure Procurement (WRIP)
- Health & safety pre-qualification
- LiDAR (Light Detection and Ranging) technology
- Shared Valuation Data Services (SVDS)
- Waikato Regional Aerial Photography Service (WRAPS)

Information on these activities is included in the company's Statement of Intent.

7 Pūrongo me whakatau | Decision Reports

7.3 2025 Local Elections Matters - Order of Candidates and Communication Principles

CM No.: 2993567

Te Kaupapa | Purpose

The purpose of this report is for Council to:

- Decide on the order of candidates' names to appear on voting documents.
- Understand and approve the election communication principles for the elections.

Rāpopotonga Matua | Executive Summary

Order of candidates' names

Legislation provides that candidates' names on voting documents may be arranged in:

- alphabetical order of surname
- random order (all documents have a different order) or
- pseudo random order (one randomised order for all voting documents).

Council may approve the order of candidates' names, if Council does not wish to make a decision on this matter, legislation provides for a default position of alphabetical order of surname.

Communication Principles

A guide prepared by the Controller and Auditor-General entitled *Good Practice for Managing Public Communications by Local Authorities* (April 2004) addresses the issue of Council communications in the pre-election period. It is recommended Council adopt the principles within the attached guide, in particular principles 12 and 13.

Tūtohunga | Recommendation

That:

1. The report be received.
2. The names of the candidates for the Matamata-Piako District Council elections on 11 October 2025, are to be arranged on the voting documents in:
 - a) Alphabetical order of surname; OR
 - b) Random order (all documents have a different order); OR
 - c) Pseudo-random order (one randomised order for all voting documents)
3. Council adopts the principles as set out in the Controller and Auditor General 'Good Practice for Managing Public Communications by Local Authorities' in particular principles 12 and 13.

Horopaki | Background

The 2025 local elections will be held on Saturday, 11 October.

Warwick Lampp, of electionz.com, is instructed to act as Electoral Officer (EO) on behalf of Matamata-Piako District Council, in accordance with an Election Services Agreement, signed and

dated 1 September 2023. Council is required to have an EO at all times, with the EO's accountabilities defined by statute. They are ultimately responsible for the conduct of the election.

The EO must appoint a Deputy Electoral Officer (DEO). The DEO will act as EO should the EO resign, is dismissed, dies or becomes incapable of acting. The DEO has full powers of an EO and must continue to act until the EO regains capability to act or a new EO is appointed.

Council's Governance Team Leader, Tamara Kingi, is Council's DEO. The DEO will provide the on-site support and liaison for the elections, for example receiving nominations. The DEO may also appoint Electoral Officials to assist with the election process, such as Policy, Partnerships and Governance, Communications and Engagement and Library staff.

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

Order of candidates' names

In accordance with clause 31 (1) and (2) of the Local Electoral Regulations 2001, Council may make a decision about the order in which candidates' names appear on voting documents. If Council does not wish to make a decision on this matter, legislation provides for a default position of alphabetical order of surname.

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

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

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

Considerations

In the Report of the Justice and Electoral Select Committee into the 2019 local authority elections the Committee recommended that the order of candidate names on all voting documents be completely randomised (i.e. 'true random') because the number of Councils using alphabetical was declining.

The "random" option is considered to be a more equitable option to help defray the perception that those candidates with surnames at the beginning of the alphabet have an advantage under the "alphabetical" option. If Council does not determine the order by resolution, the legislation determines the candidates' names will be arranged in alphabetical order of surname. Candidate names are listed alphabetically in the candidate profile booklet.

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

In the 2022 elections, Council's carried out more local elections in random order than alphabetical or pseudo-random. Of the 67 territorial authorities, 16 retained alphabetical (24%), 2 were pseudo-random (3%) and 49 were fully random (73%). For the 11 regional councils, 3 were alphabetical and 8 were fully random.

Warwick Lampp recommends random order, mitigating against any risk or perception that the order of candidate names makes a difference in the election.

Other Council decisions

Because the decision to determine the order in which candidates' names are to appear on the voting document can be made by each Council, there is the possibility that more than one option will be used on the one voting paper (district vs regional). Taituarā notes this may cause some voter confusion and every effort should be made to minimise this risk by consultation between Councils in the region.

Matamata-Piako District Council used the alphabetical option for the 2016 and 2019 elections and moved to random order (all documents have a different order) in 2022.

Other Councils in the Waikato used the following order of candidate names in local elections for 2019 and 2022:

Council	2019	2022
Hamilton City	Random	Random
Hauraki District	Alphabetical	Alphabetical
Ōtorohanga District	Alphabetical	Random
Rotorua Lakes	Random	Random
South Waikato District	Random	Random
Taupō District	Random	Random
Thames-Coromandel District	Alphabetical	Random
Waikato District	Alphabetical	Alphabetical
Waikato Regional	Random	Random
Waipā District	Random	Random
Waitomo	Alphabetical	Random

We reached out to Councils across the Waikato to see what they had planned for this election. The following have responded at the time of writing this report:

- Rotorua Lakes Council – Random
- Thames-Coromandel District Council – Alphabetical
- Waikato District Council – Random

Other Councils in the region are planning to make their decisions in the coming months.

Candidate Profile Booklet

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

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

Early processing of voting documents

Under section 80 of the Act, it is at the EO's discretion to determine whether early processing of voting documents occurs. Generally, this is regarded as good practice. Previously, a resolution of Council was required, but this was changed with the passage of the Local Electoral Amendment Act 2013.

The progressive processing of votes during the voting period is now a decision made by the EO.

No tallying of votes is undertaken until after the close of voting on Election Day (12 noon, Saturday, 11 October 2025).

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

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

Communication Principles

The attached guide prepared by the Controller and Auditor-General entitled *Good Practice for Managing Public Communications by Local Authorities* (April 2004) addresses the issue of Council communications in the pre-election period. The guide recommends that all Councils consider adopting a formal communications policy framed to suit their particular needs. It states that the policy should embrace the Auditor-General's guidelines (or a variation of them appropriate to the circumstances) and clearly direct elected members, and staff on how the policy is to be applied in particular circumstances (e.g. during the pre-election period). The 2004 guidelines have not been updated/superseded and still apply for the 2025 triennial election. For previous elections MPDC have adopted the principles within the attachment in lieu of a specific MPDC Policy, in particular principles 12 and 13 detailed below.

Principle 12 – A local authority must not promote, nor be perceived to promote, the re-election prospects of a sitting member. Therefore, the use of Council resources for re-election purposes is unacceptable and possibly unlawful.

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

of practicality. A breach of the principles can give rise to an “irregularity” which could result in an election result being overturned

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

- “Electoral expenses” include:

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

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

Principle 13 – A Council’s communications policy should also recognise the risk that communications by or about Members, in their capacities as spokespersons for Council, during a pre-election period could result in the Member achieving electoral advantage at ratepayers’ expense. The chief executive officer (or his or her delegate) should actively manage the risk in accordance with the relevant electoral law.

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

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

- However, care must be taken to avoid the perception, and the consequent risk of electoral irregularity, referred to in the commentary to principle 12. Two examples are:

- journalistic use of photographic material or information (see paragraph 4.42 on page 21 of the attachment) that may raise the profile of a Member in the electorate should be discontinued during the pre-election period; and
- access to Council resources for Members to issue media releases, in their capacities as official spokespersons, should be limited to what is strictly necessary to communicate Council business.

- Even if the Council’s Communications Policy does not vest the power to authorise Council communications solely in management at normal times, it should do so exclusively during the pre-election period.

Ngā Take/Kōrerorero | Issues/Discussion

Key dates for the election are as follows:

4 July	Public notice of election
7 July	Nominations open / Roll open for inspection
1 August	Nominations close, midday sharp

6 August	Public notice of Candidates, order of names and special voting venues
9 – 22 September	Delivery of voting documents commences
22 September	Last day for delivery of voting documents
9 September – 11 October	Voting period, including special voting period
Saturday, 11 October	Election Day – Voting closes midday sharp
16 October	Official result declaration
16 – 19 October	Public notice of official declaration of election results (on Council websites)

Mōrearea | Risk

Staff will prepare a Warrant of Fitness (WOF) as recommended by Taituarā and the Electoral Reference Group to present to Council’s Risk and Assurance Committee on 17 June 2025. The WOF will be updated as the process progresses and reported to the Chief Executive Officer (CEO).

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

Local Electoral Act 2001 and Local Electoral Regulations 2001.

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 low 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.

Policy Considerations

To the best of the writer’s knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

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

Matamata-Piako District Council’s Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. 'The heart of our community is our people, and the people are the heart of our community.'			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

All of the above community outcomes are relevant to this report.

Ngā Tāpiritanga | Attachments

[A↓](#). Good Practice for Managing Public Communications by Local Authorities - OAG Guidelines, 2004

Ngā waitohu | Signatories

Author(s)	Tamara Kingi Kaiārahi Kāwana Governance Team Leader	
Approved by	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	



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

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

April 2004

ISBN 0-478-18117-5

Foreword

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

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

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

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

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



K B Brady
Controller and Auditor-General

14 April 2004

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1 Introduction

The importance of Council communications

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

Why this guide?

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

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

The objects and scope of the guide

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

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

What is the status of the guide?

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

¹ Public Audit Act 2001, section 16.

² Section 14 of the LGA.

³ Including those engaged as consultants.

2 Scope – What are “Communications”?

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

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

2.2 We make no distinction between:

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

The underlying principles are the same in each case.

2.3 Common examples of communications by Councils include:

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

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

3 Communications – Whose Responsibility?

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

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

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

4 Principles and Practice

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

Legitimacy and justification

Principle 1 –

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

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

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

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

Principle 2 –

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

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

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

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

⁸ *The purpose of local government is—*

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

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

(LGA, section 10)

Principle 3 –
Communications should comply with any applicable Council policies and guidelines as to process (including authorisation) and content.

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

Collective position

Principle 4 –
Communications on Council policies and decisions should reflect the collective position of the Council.

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

Principle 5 –
Communications on Council business should always be clearly attributed to the Council as the publisher.

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

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

Standards of communication

**Principle 6 –
Factual and explanatory information should be presented in a way that is accurate, complete, fairly expressed, and politically neutral.**

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

Consultation and public debate

**Principle 7 –
Communications about matters that are under consideration by the Council, or are otherwise a matter of public debate, should present the issues in an even-handed and non-partisan way.**

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

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

Principle 8 –

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

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

⁹ LGA, sections 14(1)(b) and 78.

¹⁰ LGA, sections 82-90.

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

Communications by Members

Principle 9 –

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

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

- 4.33 Members are collectively responsible for Council decisions. Communication of Council business to the community often falls to a designated spokesperson. See Principle 4 and paragraphs 4.13-4.15 on page 16.

- 4.34 But Members are also individually responsible to the communities that elected them. It is for the Council to decide whether and, if so, on what terms to make resources available to Members to communicate with constituents or the wider community in their capacity as individual Members.

- 4.35 An example of a communication that could involve a Member expressing personal views is a "Members' column" in a Council-funded newspaper or on a Council web site.

- 4.36 It is important that the Communications Policy, and the relevant part of the communications budget, also sets out clearly the limits in relation to such communications. The policy should say:

- What types of communications are permitted and in what circumstances, and the range of permitted subject matter.
- Whether the material can or should be subject to editing and, if so, by whom.
- What procedures apply in respect of authorisation, attribution, and editorial and quality control. These are for the Council to determine. However, whether or not material is edited, the Member must formally subscribe to what is being published.

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

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

Principle 10 –
Politically motivated criticism of another Member is unacceptable in any Council-funded communication by a Member.

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

¹² LGA, Schedule 7, clause 15.

Members' personal profile

Principle 11 –

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

4.41 Two related objectives underlie this principle:

- It is important that the public know who their Councillors are. Councils are justified in using, or in some circumstances permitting Members to use, Council facilities for communications that have the objective of raising a Member's personal profile.
- Giving a "human face" to a piece of information can be an effective communications strategy to attract attention and make the information relevant and understandable to its audience.

4.42 It is acceptable for Councils to use photographs of Members, personal quotes/attributions, and other standard journalistic techniques provided they are consistent with these objectives. However, Councils need to bear in mind the inherent risks of favouritism and unequal treatment of members.

4.43 For example, a "photo opportunity" shot, in a Council-funded publication, of a Mayor or Committee Chairperson announcing a Council decision helps to draw the reader's attention to the decision, and thereby improve the effectiveness of its communication, but could also have an unintended and beneficial spin-off effect for the Member's personal or political profile in the community.

4.44 Allowing Members representing a particular Ward to issue their own newsletter to constituents could have a similar effect. There is nothing wrong with such an idea in principle. However, the principle of equitable treatment makes it important that the same communications opportunity is available to Members representing other Wards. Matters such as editorial and quality control and attribution should also rest with the Council's communications staff in accordance with Council policy.

Communications in a pre-election period¹³

Principle 12 –

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

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

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

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

- The publication, issue, or distribution of information, and the use of electronic communications (including web site and e-mail communication), by a candidate are “electoral activities” to which the rules concerning disclosure of electoral expenses apply.
- 4.50 “Electoral expenses”¹⁵ include:
- the reasonable market value of any materials applied in respect of any electoral activity that are given to the candidate or that are provided to the candidate free of charge or below reasonable market value; and
 - the cost of any printing or postage in respect of any electoral activity.
- 4.51 A Member’s use of Council resources for electoral purposes could therefore be an “electoral expense” which the Member would have to declare – unless it could be shown that the communication also related to Council business and was made in the candidate’s capacity as a Member.
- Principle 13 –***
A Council’s communications policy should also recognise the risk that communications by or about Members, in their capacities as spokespersons for Council, during a pre-election period could result in the Member achieving electoral advantage at ratepayers’ expense. The chief executive officer (or his or her delegate) should actively manage the risk in accordance with the relevant electoral law.
- 4.52 Curtailing all Council communications during a pre-election period is neither practicable nor (as far as mandatory communications, such as those required under the LGA, are concerned) possible. Routine Council business must continue. In particular:
- Some Councils publish their annual reports during the months leading up to an October election, which would include information (including photographs) about sitting Members.
 - Council leaders and spokespersons need to continue to communicate matters of Council business to the public.

¹⁵ Also defined in section 104.

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

5 Other Commonly Arising Issues

Use of surveys and market research

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

Joint ventures and sponsorship

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

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

¹⁷ Section 14(1)(e), LGA.

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

Appendix 1

Principles of the Local Electoral Act 2001

4 Principles

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

Appendix 2

Statistics New Zealand Principles Applicable to the Production of Official Statistics

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

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

7 Pūrongo me whakatau | Decision Reports

7.4 Standing Orders

CM No.: 3007877

Te Kaupapa | Purpose

The purpose of this report is to seek agreement to amend the Standing Orders adopted by Council on 9 November 2022, to:

- include the provision for members to attend meetings via audio and visual links, and be counted towards a quorum
- extend the timeframe for requesting public forums from one clear working day to three clear working days
- extend the timeframe for requesting deputations from five clear working days to seven clear working days.

Rāpopotonga Matua | Executive Summary

The adoption of standing orders and any amendment to standing orders must be made by Council and by a vote of not less than 75% of the members present. Standing orders apply to all meetings of the local authority, its committees, subcommittees and subordinate decision-making bodies.

The current Standing Orders can be found here: [standing-orders](#).

Tūtohunga | Recommendation

That:

1. The information be received.
2. Standing Orders are amended to reflect Schedule 7 of the Local Government Act, clause 25A, which now allows provision for Council and Committee members to attend meetings by audio / visual link as follows:
 - **Clause 13.8: Member's status: quorum – Provided conditions in 13.1, 13.7, 13.11 and 13.12 of the Standing Orders have been satisfied, and in accordance with Schedule 7 of the Local Government Act, clause 25A (4), a member of the local authority or committee who attends a meeting by means of audio link or audio-visual link, is to be counted as present for the purpose of a quorum.**
3. Standing Orders are further amended to:
 - **Clause 15.1: Time limits to request to speak at a public forum – requests to speak at a public forum must be made to the Chief Executive, or their delegate, at least three clear working days before the meeting (previously one clear day). However, the requirement of notice may be waived by the Chairperson.**
 - **Clause 16.1: Deputations – requests to speak at a deputation must be made to the Chairperson, or their delegate, at least seven working days before a meeting (previously five working days). However, the requirement of notice may be waived by the Chairperson.**

Horopaki | Background

Standing Orders contain rules for the conduct of the proceedings of local authorities, committees, sub-committees and subordinate decision-making bodies. Their purpose is to enable local authorities to exercise their decision-making responsibilities in a transparent, inclusive and lawful manner.

Matamata-Piako District Council (MPDC) adopted its Standing Orders on 9 November 2022.

Ngā Take/Kōrerorero | Issues/Discussion

Right to attend by audio or audio-visual link

Standing Orders adopted by MPDC in 2022, do not allow for attendance by elected / committee members via audio or audio-visual link to be counted towards a quorum as this was not allowed under legislation at the time.

Schedule 7 of the Local Government Act 2002 clause 25A, now allows provision for a member of a local authority, unless lawfully excluded, the right to attend any meeting of the local authority or

committee by means of audio link or audio-visual link to be counted towards a quorum. This only applies where Council adopt Standing Orders equivalent to:

- Provided all required conditions are met, members of the local authority and its committees (and members of the public for the purpose of a deputation approved by the chairperson), have the right to attend meetings by means of an audio or audio-visual link, unless they have been lawfully excluded.

- Noting the above, the chairperson may give approval for a member to attend meetings by audio or audio-visual link, either generally or for a specific meeting. Examples of situations where approval can be given include:
 - i) Where the member is at a place that makes their physical presence at the meeting impracticable or impossible;
 - ii) Where a member is unwell; and
 - iii) Where a member is unable to attend due to an emergency.

- Where possible, a member will give the chairperson and the Chief Executive Officer (CEO) at least two business days' notice when they want to attend a meeting by way of audio or audio-visual link. Should, due to sickness or emergency, this is not possible the member may give less notice. Where such request is made, and the technology is available, the CEO will take reasonable steps to enable the member to attend by audio or audio-visual link. MPDC has no obligation to make the technology available. Therefore, if the member's request cannot be accommodated, or there is a technical issue with the link, it will not invalidate any acts or proceedings.

- Where an audio or audio-visual link fails, or there are other technical issues that prevent a member who is attending via an audio or audio-visual link from participating in a meeting, that member must be deemed to be no longer attend the meeting.

- A member who is attending a meeting by audio or audio-visual link must ensure that the meeting's proceedings remain confidential during any public excluded items. At such time, the chairperson may require the member to confirm that no unauthorised people are able to hear or view the proceedings. Should the chairperson not be satisfied, they may direct that an audio or audio-visual link be terminated.

Public Forum

The current Standing Orders state that requests to speak to a public forum must be received by the CEO (or their delegate) at least one clear day before the meeting. Council have an opportunity to extend this timeframe should they wish to. It is suggested that this timeframe be extended to 3 clear working days for scheduling purposes.

Deputations

In contrast to public forums, deputations allow individuals or groups to make a formal presentation to a meeting as an item on the agenda. The current Standing Orders state that requests to speak to a deputation must be received by the chairperson, or an official with delegated authority, 5 working days before a meeting. However, this requirement may be waived. The MPDC agenda closes 7 working days before a meeting. It is suggested that this timeframe be extended to align with the closing of the agenda.

Adoption of Standing Orders

The adoption of Standing Orders and any amendments to Standing Orders must be made by Council of not less than 75% of the members present.

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

23 Quorum of councils and committees

- (1) A meeting is duly constituted if a quorum is present, whether or not all of the members are voting or entitled to vote.*
- (2) Business may not be transacted at any meeting unless at least a quorum of members is present during the whole of the time at which the business is transacted.*
- (3) The quorum at a meeting of—*
 - (a) a local authority consists of—*
 - (i) half of the members if the number of members (including vacancies) is even; or*
 - (ii) a majority of members if the number of members (including vacancies) is odd; and*
 - (b) a committee—*
 - (i) is not fewer than 2 members of the committee (as determined by the local authority or committee that appoints the committee); and*
 - (ii) in the case of a committee other than a subcommittee, must include at least 1 member of the local authority.*

25A Attendance at meetings by audio link or audiovisual link

- (1) A member of a local authority, or of a committee of a local authority, has, unless lawfully excluded, the right to attend any meeting of the local authority or committee by means of audio link or audiovisual link if—*
 - (a) the standing orders of the local authority permit attendance at that meeting by means of audio link or audiovisual link; and*
 - (b) the presiding member at that meeting is satisfied that all conditions and requirements in the standing orders in relation to attendance at that meeting by means of audio link or audiovisual link are met.*
- (2) A person other than a member of a local authority, or committee, may participate in a meeting of the local authority or committee by means of audio link or audiovisual link if—*
 - (a) the standing orders of the local authority permit participation at that meeting by persons other than members by means of audio link or audiovisual link; and*
 - (b) the presiding member at that meeting is satisfied that all conditions and requirements in the standing orders are met in relation to—*
 - (i) participation at that meeting by persons other than members; and*
 - (ii) the use of audio link or audiovisual link for that participation.*
- (3) The person presiding must, for the purposes of subclause (1) or (2), ensure that—*
 - (a) technology for the audio link or audiovisual link is available and is of suitable quality; and*
 - (b) the procedure for the use of that technology in all the circumstances of the particular meeting will ensure that—*
 - (i) all those participating in the meeting can hear and be heard by each other; and*

- (ii) in relation to subclause (1), the attendance of a member by means of audio link or audiovisual link does not reduce the accountability or accessibility of that person in relation to the meeting; and
- (iii) the requirements of [Part 7](#) of the Local Government Official Information and Meetings Act 1987 are met.
- (4) A member of the local authority or committee who attends a meeting by means of audio link or audiovisual link, in accordance with this clause, is to be counted as present for the purposes of [clause 23](#).
- (5) Nothing in this clause requires a local authority to make technology for an audio link or audiovisual link available.
- (6) A document may be given or shown to, or by, a person appearing at a meeting by way of audio link or audiovisual link—
 - (a) by transmitting it electronically; or
 - (b) by use of audiovisual link (if the person is appearing by audiovisual link); or
 - (c) by any other manner that the person presiding thinks fit.
- (7) In this clause,—

audio link means facilities that enable audio communication between participants at a meeting when 1 or more of them is not physically present at the place of the meeting

audiovisual link means facilities that enable audio and visual communication between participants at a meeting when 1 or more of them is not physically present at the place of the meeting.

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 low 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.

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

Matamata-Piako District Council’s Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE	MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION
<p>TŌ MĀTOU WHAKAKITENGA OUR VISION</p> <p>Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.</p>	

TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

All of the above community outcomes relevant to this report.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Tamara Kingi Kaiārahi Kāwana Governance Team Leader	
Approved by	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	

7 Pūrongo me whakataurua | Decision Reports

7.5 Annual Plan 2025/26 - Decision on UAGC

CM No.: 2997440

Te Kaupapa | Purpose

The purpose of this report is to seek Council's decision on how it wishes to set the Uniform Annual General Charge (UAGC) cap for the 2025/26 rating year.

Rāpopotonga Matua | Executive Summary

Council's Revenue and Financing Policy (Policy) sets out a range of between 22.5% and 30% (the statutory maximum) within which the UAGC cap can be set. The Policy outlines a range of factors that Council should take into consideration each year when reviewing the rate at which to set the UAGC cap.

An added complication this year is that the completion of Council's district-wide revaluation for 1 July 2024 has been delayed. It is now scheduled for approval by the Valuer-General on 27 June 2025. There is an inherent risk that the valuation may not be approved at that date, which would mean that Council would need to revert to setting its 2025/26 rates based on the current 2021 valuation. To cover this risk, Council is preparing two draft Annual Plan budgets – one calculated based on 2024 valuations, and one calculated based on 2021 valuations. For that reason, Council will need to determine where it wishes to set the UAGC cap under both these scenarios.

Tūtohunga | Recommendation

That:

1. Council notes that the 1 July 2024 district-wide revaluation be used as the basis for setting the 2025/26 rates if approved by the Office of the Valuer General (OVG) by Friday 27 June 2025.
2. Council notes that in the event that the 1 July 2024 district-wide revaluation is not approved by the OVG by Friday 27 June 2025, that the 1 July 2021 valuation will be used as the basis for setting the 2025/26 rates.
3. Council notes that the Revenue and Financing Policy specifies the Uniform Annual General Charge (UAGC) cap should fall within the range of 22.5% to 30%, and taking the following considerations into account:
 - (i) The effect of the triennial district-wide property valuations
 - (ii) The impact that a higher UAGC may have on those with low/fixed incomes and relatively low property values
 - (iii) The impact that a lower UAGC may have on the relative share of rates levied on higher value properties
 - (iv) Fairness and equity and the consequences of the distribution of rates on our community wellbeings

Council resolves to set the UAGC cap for 2025/26 at the following rates:

- (a) If the Annual Plan 2025/26 budget is based on the 2024 revaluations, the UAGC cap is to be set at [x%] *[percentage to be specified]* for the following reasons *[reasons to be specified]*

AND

- (b) If the Annual Plan 2025/26 budget is based on the 2021 revaluations, the UAGC cap is to be set at [x%] *[percentage to be specified]* for the following reasons *[reasons to be specified]*

4. Council resolves that information be provided to the public in April/May 2025 on a range of indicator properties based on both the 2021 and (draft) 2024 valuations to keep the public informed.

Horopaki | Background

1. Effect of delay in district-wide revaluation on rates setting process for 2025/26

Properties in the Matamata-Piako District were due to be revalued as at 1 July 2024 for the purposes of setting the rates from 1 July 2025. The valuation was submitted by Opteon, (our contracted valuers) to the Office of the Valuer General (OVG) in August 2024, who undertake an audit of the revaluation. The OVG did not approve the valuation at that time, due to a lack of

evidence provided to support some of the values calculated. Opteon were then asked to do some more work before resubmitting the revaluation for OVG approval. Unfortunately (and potentially due to the fact that some other large Council's like Auckland and Hamilton are also revaluing this year), our resubmission has effectively been pushed to the back of the queue in June 2025. The OVG is scheduled to complete their audit in late June, with an approval date of 27 June. The valuation notices would go out to ratepayers in July 2025, with an opportunity for them to object to their rating valuations up to the date of the first instalment in late August.

There is an inherent risk that the valuation is not approved by the OVG on 27 June (referred to as a 'non-certification decision'). To put this in context however, the OVG have never issued a non-certification decision previously, and our valuers are confident that this risk is low, and as we understand, are actively working to address the shortcomings in the process. Staff have sought legal advice on what this 'worst case scenario' would mean for Council. If the valuations are not approved, Council would need to set the rates for 2025/26 based on the current (2021) valuations. Council would then have to carry out the revaluation process again, and would not be able to apply the new valuations (once approved) until the 1 July 2026 rating year. Inevitably there would be additional costs to Council. As to whether a non-certification decision could result in further consequences for Council, it is possible that a persistent failure to properly carry out the ratings revaluation could lead to Ministerial intervention under Part 10 of the LGA02. Again, we expect that this is a low risk for our Council.

Council has not been in this situation before. In the past, the valuations have been approved and the objection period largely completed before the end of the calendar year, which has meant that we have gone into the rates modelling and Annual Plan consultation phase knowing the value of our rating base and outcomes of the valuations on each property. That meant that Council could confidently set the General rate at the rate in the dollar on the known capital value of the district, in order to achieve the required rates income. And we knew the outcome of the revaluation on different property types, so could consider if there was a need to use available tools to modify the impact of the revaluation (e.g. shifting the UAGC cap in line with Council's Revenue and Financing Policy).

This time, it will be different. We are planning for either of the potential outcomes. Staff will prepare two versions of both the draft 2025/26 Annual Plan and Rates Resolution - one based on a 2024 rating base scenario, and one based on a 2021 rating base scenario. We expect to be notified on 27 June as to the outcome of the OVG's approval. At the Council meeting of 30 June, Councillors will approve the Annual Plan and Rates Resolution that reflects the applicable scenario.

2. Uniform Annual General Charge (UAGC) and the UAGC cap

The following background information is extracted from Council's Revenue and Financing Policy:

There are two types of general rates:

- General rates based on rateable property values
- The Uniform Annual General Charge (UAGC)

Both rates are applied to fund the same costs, but are calculated differently.

The **General rate** is based on the capital value of rateable properties, so the amount of General rate charged varies between properties, with higher value properties paying a

greater share.

The **UAGC** is a tool to mitigate the impact on higher value properties, by charging each rateable property a fixed share of the costs. That way everyone pays at least a minimum proportion of the costs regardless of their property value.

UAGC Cap

The amount of UAGC along with other targeted rates that are set based on a fixed charge is subject to a statutory maximum (we refer to as the UAGC cap). No more than 30% of total rates can be set on a fixed basis (excluding charges relating to Water and Wastewater).

Setting the UAGC cap at the highest end of the statutory maximum of 30% benefits higher value properties more, as a higher proportion of the funding is being split equally across all ratepayers.

MPDC context

Our district has a very wide range of property types and values due to the diverse land use and industry in Matamata-Piako. To ensure that everyone pays a reasonable minimum share of the general rate funded services, our preference is that the UAGC cap is set at a range of between 75-100% of the maximum allowed (so between 22.5% and 30%).

Considerations when setting the UAGC cap

The percentage applied within the range will be reviewed each year after consideration of the following factors:

- The effect of the triennial district-wide property valuations
- The impact that a higher UAGC may have on those with low/fixed incomes and relatively low property values
- The impact that a lower UAGC may have on the relative share of rates levied on higher value properties
- Fairness and equity and the consequences of the distribution of rates on our community wellbeings.

Factors which may be relevant to these considerations for 2025/26 are discussed in the Issues/discussion section following.

3. How the UAGC cap has been set in previous years

The UAGC cap has been consistently set at 27.5% since 2016/17, with one exception when it was reduced to 25% for the 2022/23 year. The decision to reduce the UAGC cap that year was made to mitigate the impact of the 2021 district-wide revaluation. In this revaluation, the district-wide average capital value increase was 20%, but within that, residential properties increased an average of 40%, while Dairy properties hardly moved. That swing in values, shifted a greater proportion of the general rates from Dairy to Residential properties. Council resolved to decrease the UAGC cap to 25% to mitigate the impact of general rates on those most adversely affected by the revaluation.

4. Indicator properties

For the draft Annual Plan document that is intended to be made available to public in April/May, Council will provide a range of 'indicator properties' intended to show both the impact of the proposed revaluation, and the impact of the proposed 5.8% total rates increase on these indicative properties.

This year, because of the delay in the completion of the revaluation, we intend to reflect the rates impacts using both the current 2021 valuations and the draft proposed 2024 valuations, but also including a disclaimer highlighting that the valuations have yet to be audited and approved to mitigate the risk of anyone relying on the draft valuation results.

Also, because we will be unable to provide our property owners with the ability to search the rate impact for their own property online as we have done in the past (due to the uncertainty around the valuations), we will instead provide a more extensive range of indicator properties than we have previously.

Timeline

The table below sets out the timeline for the development of the Annual Plan 2025/26 and the property revaluation process.

Date	Annual Plan 2025/26	Property Revaluations 2024
November-December 2024	Annual Plan workshops	
11 December 2024	Council Meeting: Decision on significance and materiality and need to consult: Consultation not required.	
5 March 2025	Council Workshop: Discussion of UAGC, revaluations, water levies	Draft unaudited high level summary of valuation movements provided by valuer
26 March 2025	Council Meeting: Decision on UAGC	
Mid-April 2025	Draft Annual Plan document available for elected members	Any available updates on the draft valuation data provided by the valuer to ensure the latest information is included in the draft Annual Plan.
April-May 2025	Information campaign including draft Annual Plan and indicator properties available to the public	
17 June 2025	Risk and Assurance Committee	
27 June 2025		Property revaluations scheduled for OVG approval
30 June 2025	Adoption of Annual Plan 2025/26, Setting of the rates	Public notice of revaluations
1 July 2025	Annual Plan in force	

Date	Annual Plan 2025/26	Property Revaluations 2024
7 July 2025		Owners notices posted
25 August 2025		Objection period closes

Ngā Take/Kōrerorero | Issues/Discussion

For clarity, the draft Annual Plan budget proposes an increase in total rates revenue collected (that is including general rates, targeted rates and metered water) of 5.8%.

The proposed increase to funding for general rate funded activities (collected through the general rate and UAGC) is 5.44% compared to the current year.

UAGC cap considerations for 2025/26:

1. The effect of the triennial district-wide property valuations

It is important to remember that the revaluation does not affect all of Council's rates – only those that are calculated based on capital or land value, which includes the General rate and some community hall targeted rates.

At the time of writing this report, because the revaluation is still in progress, we only have available a draft of the summary results of the proposed valuation in table A below. **These results must only be treated as draft and should not be relied upon for any other purpose, given they must first be subject to an audit and approval process before they can be used for rating purposes.** In saying that, it is not expected that the movements will shift significantly from what is presented below.

Table A: DRAFT summary as at Feb 2025 – Proposed movements in capital value (CV) for MPDC as at 1 July 2024

Category	Old CV (1 July 2021)	Proposed CV (1 July 2024)	Average CV	% change in CV	% of total CV
Commercial	\$ 669,419,000	\$ 718,766,000	\$ 1,426,123	7.37%	3.57%
Dairy	\$ 6,714,800,000	\$ 6,257,942,000	\$ 3,945,739	(6.80%)	31.09%
Forestry	\$ 9,601,000	\$ 10,055,000	\$ 346,724	4.73%	0.05%
Horticulture	\$ 20,705,000	\$ 20,980,000	\$ 2,331,111	1.33%	0.10%
Industrial	\$ 1,070,164,000	\$ 1,161,554,500	\$ 2,365,691	8.54%	5.77%
Lifestyle	\$ 2,988,317,800	\$ 3,133,473,000	\$ 1,078,648	4.86%	15.57%
Mining	\$ 2,815,000	\$ 4,920,000	\$ 2,460,000	74.78%	0.02%
Other	\$ 540,271,500	\$ 666,377,900	\$ 1,002,072	23.34%	3.31%
Pastoral	\$ 334,106,000	\$ 303,090,000	\$ 2,424,720	(9.28%)	1.51%
Residential	\$ 6,725,169,000	\$ 6,836,254,000	\$ 677,729	1.65%	33.96%
Specialist	\$ 574,009,000	\$ 561,025,000	\$ 3,596,314	(2.26%)	2.79%
Utilities	\$ 320,745,000	\$ 456,530,700	\$ 8,951,582	42.33%	2.27%
TOTAL	\$ 19,970,122,300	\$ 20,130,968,100		0.81%	

Highlighted are the categories that, (because of the relative percentage of the total capital value of the district and the percentage change in the CV), will have the most impact on changing the overall distribution of the general rates between categories.

The CV for dairy properties (which make up almost a third of the district-wide value) decreases by 6.8%. That means that the proportion of the general rates coming from Dairy properties would reduce.

Residential properties, while making up the greatest share of the district-wide value, have an average increase of just 1.65% (close to the overall district-wide average of 0.81%), so the revaluation has very little effect on these properties in terms of the change in distribution of the general rate.

Commercial, industrial and lifestyle properties increase between 4.86% and 8.54%, with these properties together accounting for almost a quarter of the district-wide value. Commercial/industrial and lifestyle properties are the most adversely affected by this revaluation in terms of the revised distribution of the general rate.

Commercial/industrial properties tend to be higher in value with an average CV between \$1.4 and \$2.4 million, compared to residential properties that have an average CV of \$678k, (based on the draft valuation summary in Table A). Lifestyle properties have an average CV of \$1.1m. If Council wishes to provide relief from the effect of the district-wide valuation, then Commercial/industrial and lifestyle properties would benefit the most from a UAGC cap set towards the highest end of the statutory maximum of 30%, as it would see a greater proportion of the general rate being split across all ratepayers.

This is illustrated in Table B (following). Note that Table B focusses on the impact of the distribution of the General Rates only – not total rates. Table D, later in this report shows this same analysis based on total rates (including targeted rates). Also note that the indicator properties presented were selected based on values used in previous years, and additional properties have been added after reviewing the spread of values from the 2021 valuation. We do not yet have this level of information on the 2024 valuation. In Table B, the indicator properties most closely aligned to the average CV for that property type is shown in bold.

Table B: Effect of reval and 5.44% General Rate increase on properties at various UAGC %

Note: Properties in bold are most closely aligned to the average CV for that property type - we don't yet have info on median CV

Capital value	General Rate increase %			
	%	%	%	%
	30.0%	27.5%	25.0%	22.5%
Residential \$500,000	8.7%	4.5%	0.4%	-3.8%
Residential \$750,000	7.0%	4.7%	2.5%	0.2%
Residential \$1,000,000	5.8%	4.9%	3.9%	3.0%
Residential \$1,250,000	4.9%	5.0%	5.0%	5.1%
Residential \$1,500,000	4.2%	5.0%	5.9%	6.7%
Comm/Indust + 2 pans \$550,000	11.1%	7.5%	3.9%	0.4%
Comm/Indust + 2 pans \$1,000,000	9.5%	8.8%	8.1%	7.4%
Comm/Indust + 2 pans \$2,000,000	7.8%	10.0%	12.3%	14.5%
Comm/Indust + 2 pans \$3,000,000	7.1%	10.6%	14.2%	17.7%
Lifestyle - \$700,000	8.9%	6.4%	3.9%	1.4%
Lifestyle - \$1,000,000	7.7%	6.8%	6.0%	5.2%
Lifestyle - \$1,250,000	6.9%	7.1%	7.3%	7.5%
Lifestyle - \$2,500,000	5.0%	7.8%	10.7%	13.5%
Rural - \$2,000,000	-2.9%	-1.4%	0.1%	1.6%
Rural - \$3,500,000	-5.2%	-2.0%	1.2%	4.3%
Rural - \$5,000,000	-6.3%	-2.3%	1.6%	5.6%
Rural - \$10,000,000	-7.7%	-2.7%	2.3%	7.3%

Capital value	General Rate increase \$			
	\$	\$	\$	\$
	UAGC 30%	UAGC 27.5%	UAGC 25%	UAGC 22.5%
Residential \$500,000	\$ 141	\$ 73	\$ 6	-\$ 62
Residential \$750,000	\$ 137	\$ 92	\$ 48	\$ 3
Residential \$1,000,000	\$ 133	\$ 111	\$ 90	\$ 68
Residential \$1,250,000	\$ 129	\$ 131	\$ 132	\$ 133
Residential \$1,500,000	\$ 126	\$ 150	\$ 174	\$ 198
Comm/Indust + 2 pans \$550,000	\$ 186	\$ 126	\$ 66	\$ 7
Comm/Indust + 2 pans \$1,000,000	\$ 217	\$ 201	\$ 185	\$ 169
Comm/Indust + 2 pans \$2,000,000	\$ 285	\$ 366	\$ 448	\$ 529
Comm/Indust + 2 pans \$3,000,000	\$ 354	\$ 532	\$ 711	\$ 889
Lifestyle - \$700,000	\$ 167	\$ 120	\$ 73	\$ 26
Lifestyle - \$1,000,000	\$ 176	\$ 157	\$ 138	\$ 119
Lifestyle - \$1,250,000	\$ 182	\$ 187	\$ 192	\$ 197
Lifestyle - \$2,500,000	\$ 217	\$ 340	\$ 463	\$ 585
Rural - \$2,000,000	-\$ 105	-\$ 51	\$ 4	\$ 58
Rural - \$3,500,000	-\$ 295	-\$ 115	\$ 65	\$ 246
Rural - \$5,000,000	-\$ 485	-\$ 179	\$ 127	\$ 433
Rural - \$10,000,000	-\$ 1,118	-\$ 393	\$ 333	\$ 1,058

Capital value	Total General Rates			
	\$	\$	\$	\$
	UAGC 30%	UAGC 27.5%	UAGC 25%	UAGC 22.5%
Residential \$500,000	\$ 1,751	\$ 1,683	\$ 1,616	\$ 1,549
Residential \$750,000	\$ 2,087	\$ 2,043	\$ 1,998	\$ 1,954
Residential \$1,000,000	\$ 2,423	\$ 2,402	\$ 2,380	\$ 2,358
Residential \$1,250,000	\$ 2,760	\$ 2,761	\$ 2,762	\$ 2,763
Residential \$1,500,000	\$ 3,096	\$ 3,120	\$ 3,144	\$ 3,168
Comm/Indust + 2 pans \$550,000	\$ 1,864	\$ 1,804	\$ 1,745	\$ 1,685
Comm/Indust + 2 pans \$1,000,000	\$ 2,507	\$ 2,491	\$ 2,475	\$ 2,459
Comm/Indust + 2 pans \$2,000,000	\$ 3,935	\$ 4,017	\$ 4,098	\$ 4,179
Comm/Indust + 2 pans \$3,000,000	\$ 5,364	\$ 5,542	\$ 5,721	\$ 5,899
Lifestyle - \$700,000	\$ 2,050	\$ 2,002	\$ 1,955	\$ 1,908
Lifestyle - \$1,000,000	\$ 2,466	\$ 2,447	\$ 2,428	\$ 2,410
Lifestyle - \$1,250,000	\$ 2,813	\$ 2,818	\$ 2,822	\$ 2,827
Lifestyle - \$2,500,000	\$ 4,547	\$ 4,670	\$ 4,793	\$ 4,916
Rural - \$2,000,000	\$ 3,545	\$ 3,599	\$ 3,654	\$ 3,709
Rural - \$3,500,000	\$ 5,395	\$ 5,575	\$ 5,756	\$ 5,936
Rural - \$5,000,000	\$ 7,245	\$ 7,551	\$ 7,857	\$ 8,163
Rural - \$10,000,000	\$ 13,411	\$ 14,137	\$ 14,862	\$ 15,588

2. The impact that a higher UAGC may have on those with low/fixed incomes and relatively low property values

As is the nature of the UAGC cap, lower value properties are more sensitive to the UAGC cap set towards the higher end of the scale. Council should consider the extent of the percentage increases shown in Table B against the overall increase in General Rates budgeted at 5.44%. The three key areas driving the 5.44% increase in general rates are:

- Roading, \$1.2m due to increased depreciation and loss of NZTA funding
- Pools & Spas, \$421k reduced projection of income from fees and charges
- \$220k increase in cost of professional indemnity insurance largely related to the building activity.

Table A shows that residential properties tend to have the lowest average property values of the various property types. In Table B, residential properties below the average CV of \$678k would see an increase of less than the overall general rate increase of 5.44% if the UAGC cap is set at 27.5% (or lower).

3. The impact that a lower UAGC may have on the relative share of rates levied on higher value properties

Again, the nature of the UAGC cap is that a lower cap will benefit higher valued properties more. Dairy properties have the highest average CV. Table C below shows that as the UAGC cap steps down, the share of general rates collected from all Dairy properties would increase by around 1% with each step, meaning that other property types (particularly residential that tend to have lower value properties and the highest number of assessments) benefit from that shift.

Table C – Total general rates income generated from each property type at a range of UAGC caps.

Category	% of Total CV	No of Assessments	Total General Rate and UAGC Income per category (per 25/26 budget)							
			30.0% UAGC		27.5% UAGC		25.0% UAGC		22.5% UAGC	
			\$	%	\$	%	\$	%	\$	%
Commercial	3.6%	504	\$ 1,267,073	3.4%	\$ 1,275,416	3.4%	\$ 1,283,758	3.4%	\$ 1,292,101	3.4%
Dairy	31.1%	1,586	\$ 8,529,744	22.6%	\$ 8,864,882	23.5%	\$ 9,200,020	24.4%	\$ 9,535,158	25.3%
Forestry	0.0%	29	\$ 37,325	0.1%	\$ 35,385	0.1%	\$ 33,445	0.1%	\$ 31,506	0.1%
Horticulture	0.1%	9	\$ 31,885	0.1%	\$ 32,663	0.1%	\$ 33,442	0.1%	\$ 34,220	0.1%
Industrial	5.8%	491	\$ 1,758,795	4.7%	\$ 1,802,581	4.8%	\$ 1,846,368	4.9%	\$ 1,890,154	5.0%
Lifestyle	15.6%	2,905	\$ 6,155,842	16.3%	\$ 6,125,903	16.2%	\$ 6,095,964	16.2%	\$ 6,066,025	16.1%
Mining	0.0%	2	\$ 7,379	0.0%	\$ 7,571	0.0%	\$ 7,764	0.0%	\$ 7,957	0.0%
Other	3.3%	665	\$ 1,351,283	3.6%	\$ 1,340,493	3.6%	\$ 1,329,704	3.5%	\$ 1,318,914	3.5%
Pastoral	1.5%	125	\$ 456,146	1.2%	\$ 467,863	1.2%	\$ 479,581	1.3%	\$ 491,299	1.3%
Residential	34.0%	10,087	\$ 16,777,861	44.5%	\$ 16,361,312	43.4%	\$ 15,944,763	42.3%	\$ 15,528,214	41.2%
Specialist	2.8%	156	\$ 777,028	2.1%	\$ 805,779	2.1%	\$ 834,530	2.2%	\$ 863,281	2.3%
Utilities	2.3%	51	\$ 564,490	1.5%	\$ 595,000	1.6%	\$ 625,511	1.7%	\$ 656,021	1.7%
TOTAL		16,610	\$ 37,714,849		\$ 37,714,849		\$ 37,714,849		\$ 37,714,849	

4. Fairness and equity and the consequences of the distribution of rates on our community wellbeings.

This consideration may require Council to look beyond the impact of general rates alone, and consider the wider implications of Councils forecasted rates alongside any other relevant factors (e.g. industry/sector peaks and troughs, impacts of cost of living, impact of other social, economic or environmental factors) and how they may impact on the wellbeing of the community.

Should this include consideration of the impact of targeted rates?

Council's Revenue and Financing Policy steps through how Council has determined the most fair and equitable way to fund its various activities. In doing so, it has determined that in respect of water, wastewater, stormwater, kerbside collection and community halls that these activities should be paid for by those who use the service, which is why the decision was made to fund these activities through a targeted rate.

For those activities funded through the general rate, the direct beneficiaries of the activity or those that create the need for the activity were not as easy to determine, and many of these activities are considered to be for the greater good of the whole community. Therefore it may appear more reasonable to modify the distribution of the general rate across the community using the UAGC cap as a tool, based on greater good or wellbeing considerations.

It must also be noted however that rates are a form of tax. While Council's policies aim to distribute costs in a fair and equitable manner, there will always be those that are advantaged or disadvantaged.

The total proposed rates (including targeted rates) at an increase of 5.8% compared to the current year for the range of indicator properties is provided in Table D below, showing the effect of applying the UAGC cap at various rates.

Table D: Effect of 2024 reval and 5.8% total rate increase on indicator properties at various UAGC caps

Capital value	Rate increase %			
	%	%	%	%
	30.0%	27.5%	25.0%	22.5%
Residential \$500,000	7.9%	5.9%	4.0%	2.0%
Residential \$750,000	7.1%	5.9%	4.7%	3.6%
Residential \$1,000,000	6.4%	5.9%	5.4%	4.8%
Residential \$1,250,000	5.8%	5.9%	5.9%	5.9%
Residential \$1,500,000	7.1%	5.9%	4.7%	3.6%
Comm/Indust + 2 pans \$550,000	7.1%	5.9%	4.7%	3.4%
Comm/Indust + 2 pans \$1,000,000	6.9%	6.6%	6.3%	6.0%
Comm/Indust + 2 pans \$2,000,000	6.5%	7.7%	8.9%	10.1%
Comm/Indust + 2 pans \$3,000,000	6.3%	8.5%	10.6%	12.8%
Lifestyle - \$700,000	8.9%	6.4%	3.9%	1.4%
Lifestyle - \$1,000,000	7.7%	6.8%	6.0%	5.2%
Lifestyle - \$1,250,000	6.9%	7.1%	7.3%	7.5%
Lifestyle - \$2,500,000	5.0%	7.8%	10.7%	13.5%
Rural - \$2,000,000	-2.9%	-1.4%	0.1%	1.6%
Rural - \$3,500,000	-5.2%	-2.0%	1.2%	4.3%
Rural - \$5,000,000	-6.3%	-2.3%	1.6%	5.6%
Rural - \$10,000,000	-7.7%	-2.7%	2.3%	7.3%

Capital value	Rate increase \$			
	\$	\$	\$	\$
	UAGC 30%	UAGC 27.5%	UAGC 25%	UAGC 22.5%
Residential \$500,000	\$ 273	\$ 206	\$ 138	\$ 71
Residential \$750,000	\$ 269	\$ 225	\$ 180	\$ 136
Residential \$1,000,000	\$ 266	\$ 244	\$ 222	\$ 201
Residential \$1,250,000	\$ 262	\$ 263	\$ 265	\$ 266
Residential \$1,500,000	\$ 258	\$ 283	\$ 307	\$ 331
Comm/Indust + 2 pans \$550,000	\$ 344	\$ 285	\$ 225	\$ 165
Comm/Indust + 2 pans \$1,000,000	\$ 375	\$ 359	\$ 343	\$ 327
Comm/Indust + 2 pans \$2,000,000	\$ 444	\$ 525	\$ 606	\$ 687
Comm/Indust + 2 pans \$3,000,000	\$ 513	\$ 691	\$ 869	\$ 1,048
Lifestyle - \$700,000	\$ 167	\$ 120	\$ 73	\$ 26
Lifestyle - \$1,000,000	\$ 176	\$ 157	\$ 138	\$ 119
Lifestyle - \$1,250,000	\$ 182	\$ 187	\$ 192	\$ 197
Lifestyle - \$2,500,000	\$ 217	\$ 340	\$ 463	\$ 585
Rural - \$2,000,000	-\$ 105	-\$ 51	\$ 4	\$ 58
Rural - \$3,500,000	-\$ 295	-\$ 115	\$ 65	\$ 246
Rural - \$5,000,000	-\$ 485	-\$ 179	\$ 127	\$ 433
Rural - \$10,000,000	-\$ 1,118	-\$ 393	\$ 333	\$ 1,058

Capital value	Total rates bill			
	\$	\$	\$	\$
	UAGC 30%	UAGC 27.5%	UAGC 25%	UAGC 22.5%
Residential \$500,000	\$ 3,747	\$ 3,679	\$ 3,612	\$ 3,544
Residential \$750,000	\$ 4,083	\$ 4,038	\$ 3,994	\$ 3,949
Residential \$1,000,000	\$ 4,419	\$ 4,398	\$ 4,376	\$ 4,354
Residential \$1,250,000	\$ 4,755	\$ 4,757	\$ 4,758	\$ 4,759
Residential \$1,500,000	\$ 5,092	\$ 5,116	\$ 5,140	\$ 5,164
Comm/Indust + 2 pans \$550,000	\$ 5,181	\$ 5,121	\$ 5,061	\$ 5,002
Comm/Indust + 2 pans \$1,000,000	\$ 5,824	\$ 5,808	\$ 5,792	\$ 5,776
Comm/Indust + 2 pans \$2,000,000	\$ 7,252	\$ 7,333	\$ 7,414	\$ 7,496
Comm/Indust + 2 pans \$3,000,000	\$ 8,681	\$ 8,859	\$ 9,037	\$ 9,216
Lifestyle - \$700,000	\$ 2,050	\$ 2,002	\$ 1,955	\$ 1,908
Lifestyle - \$1,000,000	\$ 2,466	\$ 2,447	\$ 2,428	\$ 2,410
Lifestyle - \$1,250,000	\$ 2,813	\$ 2,818	\$ 2,822	\$ 2,827
Lifestyle - \$2,500,000	\$ 4,547	\$ 4,670	\$ 4,793	\$ 4,916
Rural - \$2,000,000	\$ 3,545	\$ 3,599	\$ 3,654	\$ 3,709
Rural - \$3,500,000	\$ 5,395	\$ 5,575	\$ 5,756	\$ 5,936
Rural - \$5,000,000	\$ 7,245	\$ 7,551	\$ 7,857	\$ 8,163
Rural - \$10,000,000	\$ 13,411	\$ 14,137	\$ 14,862	\$ 15,588

5. Specifically for 2025/26 – what if the 1 July 2021 revaluation is applied?:

At the time the 2024/25 budget was set, Council considered it was appropriate to set the UAGC cap at 27.5%. If no new revaluation is to be applied, Council would need to consider if there were any other motivating factors since that time, or significant inequities since identified that would result in a need to review that cap.

Mōrearea | Risk

Setting the UAGC cap

In terms of Council's decision for this report being where to set the UAGC cap for the 2025/26 year, there is a risk in the fact that the valuation data being used to inform this decision is not finalised, and has yet to be subject to final audit and approval by the OVG. We consider this risk to be low given the valuation project is fairly advanced, and large swings in value would be required to create any significant variations to what is presented.

The risk of the 1 July 2024 valuation not being approved by the OVG on 27 June as planned is effectively mitigated by preparing two versions for setting the Annual Plan and rates resolutions based on the use of either the 2024 or 2021 valuation.

Revaluations

The remaining risk around the revaluation is if it is not approved on 27 June (referred to as a 'non-certification decision'). To put this in context however, the OVG have never issued a non-certification decision previously, and our valuers are confident that this risk is low, and are, as we understand, actively working to address the shortcomings in their initial valuation submission. We have sought legal advice on what this 'worst case scenario' would mean for Council. If the valuations are not approved, Council would need to set the rates for 2025/26 based on the current (2021) valuations. Council would then have to carry out the revaluation process again, and would not be able to apply the new valuations (once approved) until the 1 July 2026 rating year. Inevitably there would be additional costs to Council. As to whether a non-certification decision could result in further consequences for Council, it is possible that a persistent failure to properly carry out the ratings revaluation could lead to Ministerial intervention under Part 10 of the LGA02. Again, we expect that this is a low risk for our Council.

Annual Plan consultation requirements of the Local Government Act 2002

Section 95 of the Act states that councils must prepare and adopt an annual plan for each financial year. It includes the requirement, to consult in a manner that gives effect to the requirements of section 82, the principles of consultation, before adopting an Annual Plan. This requirement for consultation does not apply if the Annual Plan does not include significant or material differences from the content of the LTP for that financial year.

Previous consultation decisions

It may be useful to consider how Council has approached this issue in the past. As previously noted, the UAGC cap has been consistently set at 27.5% since 2016/17, with one exception when it was reduced to 25% for the 2022/23 year.

There was no Annual Plan consultation when the UAGC cap was reduced to 25% for the 2022/23 year.

In 2016/17 Council consulted the community on the draft Annual Plan due to a number of reasons, including a change to the total rates compared to the Long Term Plan, shifting of project timing, swing in revaluations and changes to the UAGC – presenting two options to the community (27.5% and 30%).

The 2016/17 Consultation Document noted that for several years Council had set our UAGC at its legal maximum of 30% of the total rates revenue. It was proposed to change this to 27.5% due to a change in legal interpretation whereby the total rates revenue calculation must also include budgeted revenue from metered water. The effect of including budgeted metered water means that the UAGC Council charged in prior years was actually less than 30% - around 27.9%. So the proposed change in 2016/17 was actually more in keeping with what had been done in the past.

December 2024 decision

At the 11 December 2024 meeting, Council confirmed there are no significant or material differences from year 2 of the Long Term Plan 2024-34 and that no formal consultation on the Annual Plan 2025/26 is required. An information campaign is being developed to keep the community informed.

In line with this decision, no consultation on the Annual Plan is currently planned for. In respect of the options set out in this report around revaluations and setting the UAGC cap, Council should consider whether there are any significant or material differences from year 2 of the Long Term Plan 2024-34.

In the legal advice obtained around the consequences of the delayed valuation on our Annual Plan and consultation requirements, it is noted that “the trigger for requiring consultation is whether there will be a significant or material difference from the content of the LTP for the financial year to which the proposed Annual Plan relates. If there is no material or significant difference to the ratings proposals themselves, there will not be a decision or action of Council that would trigger a consultation obligation”. The UAGC cap decision does not change the rating proposal or the budgeted amount to be collected from general rates, it just shifts the incidence of those rates on properties (which is not set out beyond year one in the LTP).

Ngā Whiringa | Options

Option One – Status Quo – maintain the UAGC cap at 27.5%	
Description of option	
<p>Using the considerations outlined in the Revenue and Financing Policy and discussed in this report, Council can opt to maintain the UAGC cap at the current level of 27.5% for the 2025/26 rating year (assuming the 1 July 2024 valuation basis is approved).</p>	
Advantages	Disadvantages
<p>If Council wishes to provide relief from the effect of the district-wide valuation, then Commercial/industrial and lifestyle properties (those most adversely effected by the revaluation) would benefit the most from a UAGC cap set towards the highest end of the statutory maximum of 30%, as it would see a greater proportion of the general rate being split across all ratepayers.</p>	<p>A UAGC cap set at the highest end of the statutory maximum of 30% would also further reduce the proportion of general rates for Dairy properties that already receive a reduction due to the 6.8% decrease in their CV.</p>

<p>Table A shows that residential properties tend to have the lowest average property values of the various property types. In Table B, residential properties below the average CV of \$678k would see an increase of less than the overall general rate increase of 5.44% if the UAGC cap is set at 27.5% (or lower).</p>	<p>The average CV for Lifestyle properties is \$1.1m. A UAGC cap at 27.5% will only start to reverse the effect of the revaluation for properties slightly higher than this average value (somewhere between \$1.1m and \$1.25m). The median CV would be a better measure for how the UAGC cap would change the distribution of general rates in this case, however this data is not yet available.</p>
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Option Two – Modify the UAGC cap to between 22.5% and 30%

Description of option	
<p>Using the considerations outlined in the Revenue and Financing Policy and discussed in this report, Council can opt to modify the UAGC cap from between 22.5% and 30% for the 2025/26 rating year (assuming the 1 July 2024 valuation basis is approved).</p>	
Advantages/disadvantages	
<p>As outlined in the report, there are advantages and disadvantages in respect of the distribution of the general rate at each of the points within the policy range of 22.5% to 30%.</p>	

Option Using 2021 revaluations

Description of option
<p>At the time the 2024/25 budget was set, Council considered it was appropriate to set the UAGC cap at 27.5%. If no new revaluation is to be applied, Council would need to consider if there were any other motivating factors since that time, or significant inequities since identified that would result in a need to review that cap.</p>

Recommended option

Staff have not recommended a preferred option in this case – there are advantages and disadvantages with any of the options, and Council must determine the most appropriate place to land after considering the factors set out in the Revenue and Financing Policy and discussed in this report, as well as any other factors they deem relevant.

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

Council’s Revenue and Financing Policy sets out the range and considerations to be used when determining the UAGC.

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 low 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	Ratepayers will have the option to object to their revaluations once issued.
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 low level of significance.
Section 82 – this sets out principles of consultation.	Consultation on the Annual Plan was determined to not be necessary due to no significant or material difference between the Annual Plan 25/26 and Year 2 of the LTP 2024-34.

Policy Considerations

1. To the best of the writer’s knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement





Information about a range of indicator properties will be provided to the public using both the 2021 and draft 2024 revaluations.

In addition, an information campaign about the projects in the Annual Plan will take place in April-May 2025.

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

Matamata-Piako District Council’s Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE	MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION
TŌ MĀTOU WHAKAKITENGA OUR VISION	
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.’	

TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

The community outcomes relevant to this report are as follows:

- The development of the Annual Plan is relevant to all community outcomes

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

The development of the Annual Plan is covered within the Strategy and Engagement budget.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

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	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	
	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	

7 Pūrongo me whakatau | Decision Reports

7.6 Staggering of metered water readings

CM No.: 3008989

Te Kaupapa | Purpose

To seek Council's approval to progress to a staggered approach to the reading of water meters between our three main towns.

Rāpopotonga Matua | Executive Summary

Council currently has approximately 1,100 water meters spread across our 3 main towns and 4 smaller settlements that all are read in the same month on a quarterly basis. This report recommends that the meter readings are staggered so that effectively the meters for each of the three wards are read on alternate months. While this is largely considered an operational issue, in their resolution to set the rates for the 2025/26 year, Council are required to adopt the payment dates for the metered water invoicing which will be affected (particularly in this transition year) by this staggered approach.

Tūtohunga | Recommendation

That:

1. Council approve the operational plan to move to a staggered approach to metered water reading for those users on a quarterly invoicing cycle from 2025/26.

Horopaki | Background

Council currently has just approximately 1,100 water meters spread across our 3 main towns and 4 smaller settlements that all are read in the same month on a quarterly basis. The current practice of reading all water meters in the district simultaneously creates significant challenges for efficiency and accuracy. This report proposes a staggered approach, whereby water meters situated in each Ward, namely, Matamata, Morrinsville, and Te Aroha are read quarterly at the end of a different month. The advantages and disadvantages/challenges of this staggered approach are outlined below.

The high water users that are currently billed monthly are not affected by the changes proposed.

Ngā Take/Kōrerorero | Issues/Discussion

Advantages to a staggered approach:

1. Improved efficiency for Meter Readers.

More balanced workload: The KVS meter reader would spend only 3-4 days each month reading meters for different wards, rather than dedicating 2 - 3 full weeks to read all the meters in the district, and avoiding the time pressure to complete so many readings in a short space of time. This will also mean they have more consistent time to commit to their other duties of their role.

2. Enhanced accuracy of readings.

Staggered reads ensure that quarterly readings are able to be done closer to the end of the invoice period, leading to more accurate invoiced consumption for the quarter. The accuracy of the quarterly consumption is important as each quarter is compared to the 63m³ 'free allowance' provided for in the targeted water supply rate, before it is invoiced to the customer.

3. Improved workflow for Rates Team.

Currently, it takes the Rates staff member two to three weeks to enter data, check bill edits (identify possible reading errors, etc.), arrange and receive 'check-reads,' print, and then sort accounts that need to be posted vs e-mailed. There is no direct e-mail facility in the Authority Water Billing suite, so each invoice has to be produced and emailed one at a time. The staggered approach would alleviate this time-consuming process and balance the workload by spreading it over a more manageable monthly process.

4. Distributed water billing enquiries

With a staggered approach, water billing enquiries will be spread out more evenly, preventing the Customer Services and Rates Teams from being overwhelmed with enquiries at the end of each quarter. This is always a challenge with the June meter readings as this coincides with the busiest period at the end and start of the new rating year.

5. Better Preparation for Universal Metering.

As MPDC (or an alternate entity) prepares to implement universal meters across the district in the future, the staggered approach will allow for a smoother transition by addressing any potential challenges in smaller, manageable segments.

With the likely addition of available technology in the future, the meter readings will change from being completely manual ie hand written on a preprinted form, to be digitally captured and imported electronically to the system. Smaller data files will allow for easier checking.

Disadvantages or challenges with a staggered approach:

1. Effect on our quarterly customers.

There will be an initial adjustment for two thirds of our quarterly customers, as one of the ward's quarterly accounts will initially be read and billed after one month, and another after two months, to enable the transition to the staggered approach. They will also have new payment dates to get used to. We would plan to communicate this change to those affected as soon as possible (ideally alongside their April 2025 invoicing).

2. Adjustments required to tariffs in July/August each year

The metered water rate is set by Council for the financial year to 30 June. Currently we can reset the tariff in our system for the new financial year once the June invoicing is complete. Going forward we will need to adjust the tariff for any consumption belonging to the previous financial year at the previous year's applicable rate. We are yet to determine if our system can cope with this type of adjustment.

3. Internal accounting

Each year staff will need to accrue the May and June consumption not billed until July and August into the correct financial year.

Mōrearea | Risk

This project is considered fairly low risk provided customers are adequately informed of the changes. The changing of payment dates and staggering of meter readings per ward does not create any significant legal risk so long as the change is adequately captured in the rates

resolution and any public communication. There is not considered to be any increased financial risk in this approach.

Ngā Whiringa | Options

Option One – Status Quo

Description of option

Reading of quarterly water meters continues to be undertaken once per quarter, the same quarter for all 3 wards.

The advantages and disadvantages of this option are outlined in the report

Option Two – Staggered water meter reading is adopted for 2025/26

Description of option

Quarterly metered water readings are staggered across the 3 wards, starting from 1 July 2025.

The advantages and disadvantages of this option are outlined in the report

Recommended option

Option two - Quarterly metered water readings are staggered across the 3 wards, starting from 1 July 2025.

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

The proposed invoicing date and payment period for metered water must be outlined in Council's resolution to set the rates. The proposal to change the billing and invoicing date for approximately 700 customers (many of whom would not normally receive an invoice due to the 63m³ 'free allowance') is considered a minor operational change that does not trigger Councils Significance and Engagement Policy or any public consultation requirements. The change will however be communicated to affected customers in writing.

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 low 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	The proposal to change the billing and invoicing date for approximately 700

	customers (many of whom would not normally receive an invoice due to the 63m ³ 'free allowance') is considered a minor operational change. No customer should be financially disadvantaged from this change.
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 low level of significance.
Section 82 – this sets out principles of consultation.	N/A – no public consultation required.

Policy Considerations

1. To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

There will be an initial adjustment for two thirds of our quarterly customers, as one of the ward's quarterly accounts will initially be read and billed after one month, and another after two months, to enable the transition to the staggered approach. They will also have new payment dates to get used to. We would plan to communicate this change in writing to those affected as soon as possible (ideally alongside their April 2025 invoicing). Council could also use this opportunity to advise customers of the proposed change to the metered water rates for 2025/26 if that information is available at this time.

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

There are no significant additional costs expected as a result of this recommendation.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Larnia Rushbrooke Pou Pūtea, Ratonga Pakihi Finance & Business Services Manager	
Approved by	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	

7 Pūrongo me whakatau | Decision Reports

7.7 Te Miro Mountain Bike Club Tree Harvesting, Forest Restoration & Track Improvement Proposal

CM No.: 2989286

Te Kaupapa | Purpose

To seek a decision, in principle, from Council about whether it supports the Te Miro Mountain Bike Club's proposal to harvest pine trees at Te Miro Forest, restore native vegetation and extend and upgrade the mountain bike track network.

There are two main aspects to the decision before Council:

- (a) formal landowner approval, in principle, for the proposal
- (b) a decision on the application of any revenue from the proposal.

Rāpopotonga Matua | Executive Summary

On 22 May 2024 the Te Miro Mountain Bike Club presented a proposal to Council for the 'large scale redevelopment' of Te Miro Forest, including harvesting approximately 6.1 – 8.1 hectares of pine trees in order to restore native vegetation and extend and upgrade the mountain bike track network.

Council considered the proposal as part of a wider workshop on unforeseen parks projects on 4 September 2024 and sought further information prior to making a decision.

Staff have assessed the proposal and consider that there are significant benefits in working with the Te Miro Mountain Bike Club to enhance the indigenous biodiversity and recreation offering at Te Miro Forest. There are also significant safety risks associated with a forestry operation at a public park, as well as the potential for adverse effects on the environment and infrastructure. These risks need to be addressed appropriately. To meet Council's health and safety obligations and provide overall project oversight, a dedicated project manager should be appointed. An additional external resource, such as forestry consultant, should be engaged to assist the project manager as a subject matter expert and undertake the contract management and contract supervision.

A decision is required from Council about whether to progress the proposal in principle, or to decline it.

Tūtohunga | Recommendation

That:

1. **The report is received;**
2. **Council approves in principle (or declines) the Te Miro Mountain Bike Club's proposal to harvest 6.1 - 8.1 hectares of pine trees within Te Miro Forest (SA336/246) and undertake native vegetation restoration and mountain bike track development within the harvested area.**
3. **If the proposal is approved, Council will allocate the net revenue—after fulfilling all regulatory requirements and necessary commitments from the pine tree harvesting—towards restoring native vegetation and developing mountain bike tracks within the harvested area. Any surplus revenue beyond these obligations should be directed towards park management and maintenance at Te Miro.**
4. **Council delegates to the Chief Executive power to sign the agreement between Council and the Te Miro Mountain Bike Club outlining the approved works, duties and responsibilities of the parties, and application of revenue from the pine harvesting.**

Horopaki | Background

This report has been drafted with assistance provided by Xyst Limited.

The Proposal

Te Miro Mountain Bike Club Proposal presented a proposal for the 'large scale redevelopment' of Te Miro Forest at a Council meeting on 22 May 2024. The proposal involved:

- harvesting 6.1 – 8.1 hectares of pine plantation estimated to be 30 years old across two sites,
- undertaking native restoration (planting and pest and weed control) of the harvested area, and
- redeveloping tracks in the area to construct easier grade/ beginners mountain bike trails.

Area 1 to be harvested consists of two separate sub-areas (see area circled in yellow in Attachment A):

- a 5.1 hectare area within the 'Snake' MTB track area, and
- a 1 hectare area to the east, in the area of the 'Two Timer' MTB.

The MTB Club is also considering harvesting another 2 hectare area (Area 2 in Attachment A, circled in orange).

The MTB Club requested landowner approval for the proposal and for revenue generated from the harvesting (at the time estimated to be around \$45,000) to be allocated to the MTB Club to assist with the costs of redeveloping the tracks and undertaking native restoration planting.

Staff were asked by Councillors to produce an issues paper for Council to consider. This was presented to Council at a workshop on 4 September 2024. It was agreed that Staff would undertake further work to clarify required regulatory approvals, engage with Ngāti Hauā, Te Miro Pest Control Project and Council's Three Waters team and clarify health and safety requirements

prior to reporting back to Council with a recommendation on whether to approve or decline the proposal.

Overview of Te Miro Forest

Te Miro Forest, also known as Waterworks Road Reserve, is located off Waterworks Road, Te Miro (Attachment A). It comprises 135.71 hectares of land across six land parcels that are administered or owned by Council. The land is largely held in fee simple under the Local Government Act 2002, with one of the six land parcel subject to the Reserves Act 1977. This latter parcel classified Local Purpose (Water Conservation) Reserve.

Te Miro Forest is identified in the Parks and Open Spaces Strategy 2021 (POSS) as an Outdoor Adventure Park. As per the POSS, outdoor adventure parks are to be developed and used primarily for recreation and sporting activities and associated built facilities that require a large scale, forested, rural or peri-urban environment. Due to their large size, these parks may also include natural or heritage areas that may require special management or conservation.

Forestry Operation and Track Development History

Council undertook forestry operations at Te Miro Forest prior to 2009 when Council resolved to cease forestry operations and focus on promoting and enabling recreation.

A series of mountain bike trails were constructed between 2010-2012. There are currently 43 individual tracks; totalling approximately 30 kilometres. The track difficulty levels range from Grades 1 to 5; with the majority being intermediate (Grade 3) tracks.

The trails are maintained by the Te Miro Mountain Bike Club (the MTB Club) under a Memorandum of Understanding with Council. The MTB Club receives funding support from Council to assist with the track maintenance. Council undertakes mowing close to the water reservoir and maintains the car park.

Other facilities at the park include a picnic area with view of the water reservoir, toilet and two car parking areas.

The Park is popular with mountain bikers as well as walkers.

Natural Values

Adjacent to the areas of pines proposed to be harvested, is an area of ecological significance classified as a 'Potentially Significant Natural Feature' in the District Plan (SNF-24). The native forest remnant has been identified as being of regional ecological significance by Waikato Regional Council in 2016.

Bats had anecdotally been recorded in the south eastern part of the park. Native bats are protected under the Wildlife Act 1953. Council staff, in collaboration with the Department of Conservation and Te Miro Predator Control Group, placed 11 bat monitors into the park to investigate whether bats are present. Monitors were placed in the park on 15 January and collected on 30 January 2025. Bats were recorded on all the monitors, with preliminary evidence of multiple bats in most locations, including feeding and social calls. Full results of the bat monitoring will be available later this year. Preliminary findings indicate that there may be a bat roost near one of the monitoring sites, but outside of the areas proposed to be harvested.

Te Miro Predator Control Group uses traps and bait to control animal pests like rats, possums, stoats. The animal pest control activity has markedly decreased numbers of pests such as rats and the group has been reporting significant improvement in numbers of tūī, kererū and pīwakawaka (fantails).

The Topehahae Stream flows through the park.

Water Infrastructure

Water infrastructure located in the park provides one of two main sources of drinking water for Morrinsville. The water infrastructure includes the water reservoir which dams the Topehahae, an associated water treatment plant, and pipes that transport the water from the reservoir to the treatment plant and ultimately, Morrinsville. Attachment B shows the location of the water infrastructure within the park.

Ngā Take/Kōrerorero | Issues/Discussion

The initial assessment reported to Council's workshop on 4 September 2024 highlighted a range of potential benefits, issues and risks associated with the MTB Club's proposal. These are summarised below.

Benefits

- It aligns Council's Strategies and Policies such as the Parks and Open Space Strategy 2021 (POSS) and the General Policies Reserve Management Plan 2019 (RMP).
- It will improve the Te Miro Forest mountain bike track offering; particularly for beginner riders and families.
- In the medium to long-term it will improve the natural values and create a permanent buffer to the ecologically significant native forest remnant.
- It is based on a community empowerment model that builds on an existing strong working relationship with the MTB Club.
- It will progress the native biodiversity improvements, recreation and amenity values at the park faster than Council would be able to achieve on its own.

Issues and Risks

- It requires Council to make a decision on a significant redevelopment ahead of preparing a management plan for the park.
- It may present potential risks to water supply infrastructure and water supply.
- The activity has a range of health and safety risks.
- The activity involves various health and safety risks that the Council cannot delegate to a third party. Contractors must comply with the Council's health and safety management requirements, including pre-qualification, risk assessment, safety planning, and ongoing monitoring.
- Council must oversee contractor engagement and management to ensure appropriate project risk assessments and controls are implemented, effectively managing the risks. Council staff will require assistance from a subject matter expert such as an independent forestry consultant to help monitor operations to ensure that safety, health, environmental, and quality requirements meet industry good practice and NES requirements.
- It will need to meet the National Environmental Standard for Commercial Forestry to be a permitted activity i.e. not require resource consent.
- It may require resource consents from MPDC and Waikato Regional Council if the NES cannot be met. Resource consents may also be triggered by the need for additional structures over water or if the volume of earthworks exceeds the threshold for a permitted activity. At this stage it seems unlikely that consents will be required.

- Resourcing and sustainability of a community group managing a harvesting operation.
- Public perception of the work and/or grant of revenue from it.
- Financial costs and resource implications to Council.
- Impact on amenity values during harvesting.

These matters are explored more thoroughly in the Options and Risk sections.

To meet Council's health and safety obligations and provide overall project oversight, a dedicated Council project manager should be appointed. An additional external resource, such as forestry consultant, should be engaged to assist the project manager as a subject matter expert. Council taking a more active, leading role in the project is however likely to affect timeframes due to procurement processes and re-allocation of tasks. The timeframes will be captured in the MOU.

Planning and operational matters

Harvest planning

A suitably qualified and experienced forester would need to be engaged to prepare a harvesting plan.

The harvesting plan should:

- comply with the requirements of the National Environmental Standard for Commercial Forestry
- address health and safety of the forestry operation and the public
- confirm the location of any water infrastructure and how damage to these will be avoided
- outline how the contractor will comply with the Protocols for minimising the risk of felling occupied bat roosts (Bat Roost Protocols); Version 4: October 2024 approved by the New Zealand Department of Conservation's Bat Recovery Group'.

Waikato Regional Council and Matamata-Piako District Council would need to be notified prior to harvesting and within the timeframes specified by the National Environmental Standard for Commercial Forestry.

Should earthworks, stream crossings, or other activities associated with the proposal trigger a requirement for resource consent, this will need to be obtained prior to harvesting.

Restoration

Te Miro Mountain Bike Club may submit a track development plan for the harvested area indicating the preferred locations and grades of new tracks.

Should earthworks or other activities associated with the proposal trigger a requirement for resource consent, this will need to be obtained prior to track building.

A native forest restoration plan should be prepared by a suitably qualified and experienced ecologist. Revegetation should occur as soon as practicable after harvesting. Timing will depend on when harvesting is completed as well as climatic conditions and availability of suitable plants. As a contingency, provision should be made for post-harvest weed control, especially if planting is likely to be delayed until the next planting season.

General

Council and Te Miro Mountain Bike Club should enter a formal agreement to outline their respective roles and responsibilities with respect to the project.

A communications plan should also be developed prior to harvesting occurring and the public kept updated.

Mōrearea | Risk

The harvesting of pine trees within a public park presents a range of risks that must be proactively managed. These include significant health and safety risks for the public and workers, alongside environmental risks and potential impacts on local water supply infrastructure. Additionally, the proposal entails financial and reputational considerations that require careful oversight.

Under the Health and Safety at Work Act 2015, Council retains its legal obligations and cannot delegate its responsibility for ensuring the health and safety of all parties involved. It is critical for Council to maintain appropriate oversight to ensure compliance with safety, health, environmental, and quality standards throughout the project.

Table 1 provides a high-level, desktop analysis of key risks, evaluated in accordance with the Matamata-Piako District Council's Risk Management Framework. Further details on these risks and potential mitigation strategies are in Attachment C.

Furthermore, if this proposal were to proceed, a more thorough analysis of the risks would be required. This would include conducting a detailed assessment in collaboration with the harvesting contractor to identify potential hazards and ensure effective mitigation measures are implemented.

Risk Category	Relevant risks as per Attachment 3	Potential Risk Summary	Inherent Risk Assessment			Potential mitigation	Residual Risk Assessment		
			Consequence	Likelihood	Rating		Consequence	Likelihood	Rating
Health & Safety	R1	Fatality or serious harm to people from harvesting and related activities e.g. injured by falling objects, hit by moving machinery etc.	Extreme	Likely	Extreme	Nominated project manager to meet Council's obligations. Risk register and risk management framework are applied. Close park to public.	Extremely	Unlikely	Very high
Operational	R2	Disruption of water supply to MV.	Very High	Possible	Very High	Liaison with 3W Team. Approved Harvesting & Restoration Plans.	High	Rare	Low
	R3	Confusion and/or conflict over duties, roles, and/or responsibilities.	High	Possible	High	Nominated project manager. Approved Harvesting & Restoration Plans. Written agreement with Club.	Moderate	Rare	Low
	R4	Community group might not be sustainable and/or relationship may deteriorate.	Low	Unlikely	Low	Written agreement with Club. Council project management	Low	Unlikely	Low
Environmental	R9	Harm to bats which are protected under Wildlife Act 1953 and/or damage to bat habitat.	High	Possible	High	Conditional approval - compliance with bat roost protocols.	Moderate	Unlikely	Medium
	R10	Temporary disruption to recreation activities and visual amenity.	Moderate	Likely	High	Unaffected portions of park may be able to remain open. Restorative plantings will enhance visual amenity.	Moderate	Possible	Medium
Reputational	R5	Opposition to application of revenue. Perceived lack of consultation.	Moderate	Possible	Medium	Communication plan. Conditional approval including application of revenue.	Moderate	Possible	Medium
Financial	R11	Uncertainty about market conditions and log prices (could be worth less or more than anticipated).	Moderate	Possible	Medium	Updated valuation closer to harvest time. Conditional approval. Written agreement.	Low	Possible	Low
Strategic	R6	Perceived ad hoc decision-making.	Moderate	Possible	Medium	Communication plan	Moderate	Possible	Medium
Compliance	R7, R8, R9	Non-compliance with legislation and regulations (e.g. exceeding permitted activity rules).	High	Possible	High	Conditional approval – regulatory compliance aspects. Harvesting & Restoration Plan. Council project management	Moderate	Possible	Medium

Where they relate to specific options, risks are also discussed in the Options section of the report. If the proposal is approved, a Council project manager should be appointed to manage the project and ensure health and safety risks are addressed, and works are undertaken in accordance with approved plans and safety requirements. An additional external resource, such as forestry consultant, should be engaged to assist the project manager as a subject matter expert.

Ngā Whiringa | Options

Two options were considered and assessed:

- **Option 1 – Status Quo: Council declines the MTB Club’s proposal.**
- **Option 2 – Council approves MTB Club’s proposal, subject to conditions and managing the harvesting operation.**

The below outlines impacts for both options.

Option One – Status Quo i.e. Decline Approval	
Impact assessment	
Legal Implications	No new legal requirements or approvals are needed.
Risk	Risks include potentially public safety hazards from aging trees along MTB trails, loss of community engagement and volunteer support and community frustration at lack of improvements to natural environment and recreational opportunities.
Policy Implications / Strategic Links	No policy implications.
Costs and benefits	Likely costs are lower and covered through operational budgets. This includes the costs associated with the management of the existing aging trees. There are missed opportunities for biodiversity and mountain biking enhancements. Potential benefits are avoiding any risks associated with the tree harvesting and redevelopment activity.
Financial Implications	Costs for the ongoing management of aging trees. Potential revenue from tree harvesting is forfeited.
Annual Plan / LTP Implications	There is no impact on the Long-Term Plan or Annual Plan as no capital funding is sought from Council.
Community Outcomes	Community outcomes are limited to the current state of the park, which may not fully meet the needs of all mountain bike users, particularly beginners. There is no improvement in recreational facilities or biodiversity.
Community Views	Wider community views have not been sought on this proposal, however the views on the status quo likely vary. Some may prefer the current state to avoid disruptions, while others may be disappointed by the lack of improvements. This is the preferred option of the Te Miro Pest Control Group.

	Ngāti Hauā have expressed a neutral position to the proposal (neither in support, nor opposed), as long as waterways are protected from the proposed harvesting activities.
Customer impact	The status quo maintains the current recreational experience for park users but does not enhance it.

Option Two – Council approves MTB Club’s subject to conditions	
Impact assessment	
Legal Implications	<p>The proposal requires compliance with various legal frameworks, including the Resource Management Act 1991, Local Government Act 2002, Health and Safety at Work Act 2015, Wildlife Act 1953, and the Water Supply Bylaw 2008.</p> <p>The provisions of the Reserves Act 1977 do not apply, because the areas to be harvested are on land that is not held under the Reserves Act.</p> <p>Approval subject to conditions allows the relevant statutory processes to occur and appropriate approvals to be sought by the MTB Club prior to the activity.</p> <p>District and regional resource consents are likely not required if the proposal complies with the requirements of the National Environmental Standard for Commercial Forestry and Matamata-Piako District Council and Waikato Regional Council are notified within statutory timeframes.</p>
Risks	<p>Risks include: health and safety risks during tree harvesting, log extraction, and transport; potential damage to water infrastructure; potential impacts on bat habitat; uncertainty over log prices; sufficiency of revenue compared to costs; public perception about reallocation of income from the harvest to a community group; and the sustainability of the community group.</p> <p>Mitigation measures include: detailed planning, including preparation and prior Council approval of harvest and restoration plans, ensuring relevant approvals are obtained, bat roost protocols are followed and communication with the public.</p> <p>The closure of the areas of the park where harvesting takes place will be required to minimise health and safety risks. The decision for parks closures is delegated to staff. To further minimise health and safety risks, a council project manager needs to be appointed to manage the project. The project manager will need support from a forestry subject matter expert such as an independent forestry consultant.</p> <p>An agreement should be prepared with the MTB Club that clearly outlines roles and responsibilities and conflict resolution processes.</p> <p>For a more detailed assessment of risks and potential mitigation measures see Attachment C.</p>
Policy Implications / Strategic Links	<p>The proposal aligns with Council’s Strategies and Policies that govern the management of parks and open spaces, including the Parks and Open Space Strategy (POSS) 2021 and the General Policies Reserve Management Plan 2019 (RMP). It supports the strategic goals of enhancing recreational opportunities and biodiversity.</p> <p>The park is categorised as an outdoor adventure park in the POSS, and the proposal is consistent with the desired outcomes and development guidelines for this category.</p> <p>As per policies in the RMP, Council can add conditions to any approval, such as preparation and Council-approval of a landscape plan prior to any track developments and native restoration planting.</p>

<p>Costs and benefits</p>	<p>Benefits include increased recreational opportunities, improved biodiversity, and strengthened community relationships.</p> <p>Likely costs include:</p> <ul style="list-style-type: none"> - Harvesting operations (including preparation of harvesting plan, preparation of necessary information for the National Environmental Standards for Commercial Forestry notifications, works to enable harvesting, harvesting and debris management) - Council engaged Harvesting Consultant - Restoration plan (\$7,000-\$15,000) - Bat management and monitoring plan (\$15,000-\$20,000) - Revegetation planting and maintenance (\$20,000 per hectare), and - Track planning and development (minimal as largely undertaken by volunteers). <p>These costs are expected to be met from harvesting revenue, grants and sponsorship. Note: Revenue from tree harvesting is expected to cover some costs, but it is difficult to determine exact revenue due to fluctuating prices for timber. Revenue from the proposal was initially estimated to be \$45,000. Log prices have since improved significantly. Actual revenue would need to be confirmed closer to the time of harvesting.</p> <p>The following Council internal resourcing will be required:</p> <ul style="list-style-type: none"> - Project management oversight of the harvesting operation and Health and Safety input to manage the harvesting operation and ensure health and safety risks are managed, and works are undertaken in accordance with approved plans. - Staff time to assess plans submitted for approval. - Staff time to develop and implement a communications plan. <p>If ground-penetrating radar for detection of pipes is required, this will need to be completed.</p>
<p>Financial Implications</p>	<p>The estimated revenue from tree harvesting is proposed to be allocated to redevelopment and replanting costs.</p> <p>There will be a cost for Council staff to progress the proposal, this includes staff time to assess the proposal and prepare and implement a communications plan.</p> <p>The council internal project management team has limited capacity but other work may be able to be re-prioritised. The plan is to engage a forestry consultant that can provide the contract management and supervision. Council could consider allocating Reserve Funds for this until the revenue has been gathered, with funding requirements to be confirmed at a later date and included in the MOU with the club.</p>
<p>Annual Plan / LTP Implications</p>	<p>There is no impact on the Long-Term Plan or Annual Plan as no capital funding is sought from Council. It should however be noted that the value of the grant involved in this proposal is relatively large compared to the majority of grants to community groups via the LTP process.</p>
<p>Community Outcomes</p>	<p>Positive community outcomes include enhanced recreational facilities, increased biodiversity, and strengthened community engagement.</p>

	<p>Potential negative outcomes include temporary disruption to recreational access during tree harvesting, reduced visual amenity post-harvest (until replanted), and public perception regarding to revenue allocation to the group. This can be mitigated by Council controlling allocation of funds.</p>
Community and Iwi Views	<p>Wider community views have not been sought on the proposal but are likely to vary.</p> <p>Recreational park users are likely to support the development of additional tracks.</p> <p>Te Miro Pest Control Group has expressed that they do not support the harvesting of all areas of the park, due to risks to understorey plants and bat populations. Conditions proposed, including bat monitoring and long-term biodiversity gains are likely to mitigate these concerns.</p> <p>Ngāti Hauā have expressed a neutral position to the proposal (neither in support, nor opposed), as long as waterways are protected from the proposed harvesting activities.</p>
Customer impact	<p>Long-term, the proposal will enhance the recreational experience for park users, particularly beginners and families.</p> <p>Temporary disruptions during tree harvesting will be managed to minimize impact on park visitors. This is likely to include the closure of parts of the park doing harvesting.</p> <p>A communications plan should be developed to keep park users and the community informed of the proposal.</p>

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

See information in table above.

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 **low** 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	Public notification of the proposal is not required. Persons with likely interest in the project have been engaged with and their views are known (outlined above).
Section 79 – how to achieve compliance	The Significance and Engagement Policy is

with sections 77 and 78 is in proportion to the significance of the issue	considered above. This issue is assessed as having a low level of significance.
Section 82 – this sets out principles of consultation.	Additional consultation is not considered necessary. Should the proposal be approved, affected/interested parties will be informed and a communications plan developed.

Policy Considerations

1. To the best of the writer’s knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

If the proposal is approved, Council staff will prepare a communications plan for the project. The purpose of the communications plan is to provide information to the public and park users about the project, including clearly outline benefits and informs about access and park closures during harvesting.





Ngā take ā-lhinga | Consent issues

As outlined above and in Attachment C, the proposal is unlikely to require resource consent, as long as it complies with the National Environmental Standard for Commercial Forestry and required notifications are provided to Matamata-Piako District Council and Waikato Regional Council within required timeframes prior to harvesting activity taking place.

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

Matamata Piako District Council’s Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE	MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION
<p style="text-align: center;">TŌ MĀTOU WHAKAKITENGA OUR VISION</p> <p>Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.</p>	

TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

The community outcomes relevant to this report are as follows:

The community outcomes relevant to this report are as follows:

- A place with people at its heart
 - “be the connector between community, iwi, NGOs and government agencies”.
- A place to thrive
 - “seek opportunities to realise Matamata- Piako’s economic potential”.
- A place that embraces our environment
 - “create and maintain green and natural and open spaces to demonstrate and advocate for climate friendly and community resilient initiatives”.

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

Harvesting revenue is expected to be the main funding source however this revenue is only realised at the end of the operation. There will be initial costs that will need to be borne by Council and/or the Club until such time as harvesting revenue is realised.


A Council project manager will be appointed to oversee the project, ensuring health and safety risks are addressed and that work is carried out in accordance with approved plans and safety requirements. While the Council’s internal project management team has limited capacity, some reprioritization of other work may be possible or parts of this function can be outsourced.

To support the project manager, an external resource—such as a forestry consultant—should be engaged as a subject matter expert. Funding will be required for this, but no current budget is allocated. Council may consider using reserve funds until the revenue is realised. Detailed funding requirements to be confirmed as part of the detailed project planning and this be included in the MOU with the club.


Ground-penetrating radar or similar may be required to located water pipes. The cost for this are to be carried through Council’s internal operational budgets.

There will be implications on staff time. Including time to assess the proposal and approve required plans and prepare and implement a communications plan.


Ngā Tāpiritanga | Attachments

[A](#)  Attachment A - Locality Map



[B](#)  Attachment B - Water Infrastructure



[C](#)  Attachment C - Risk Assessment & Resourcing Needs

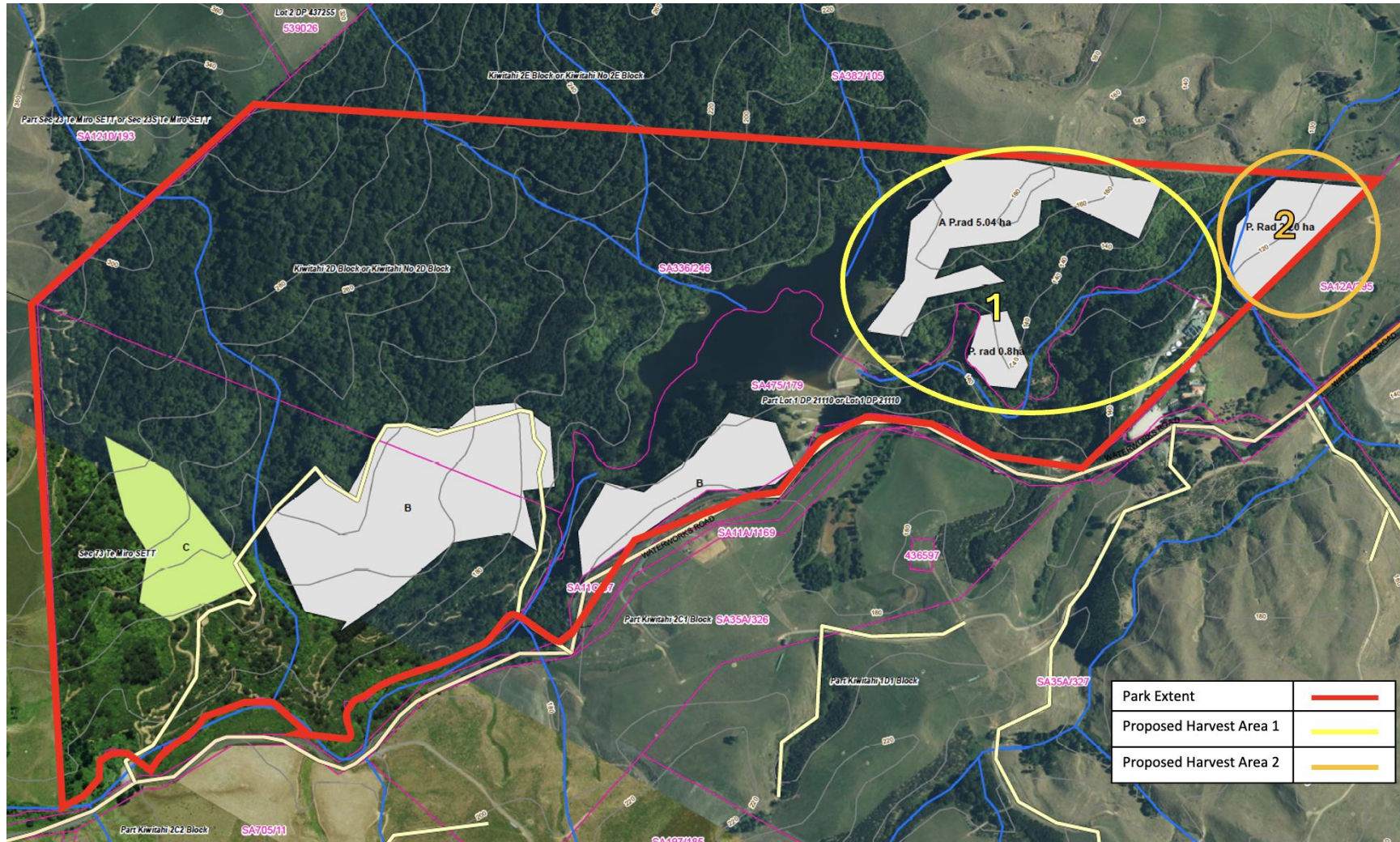


Ngā waitohu | Signatories

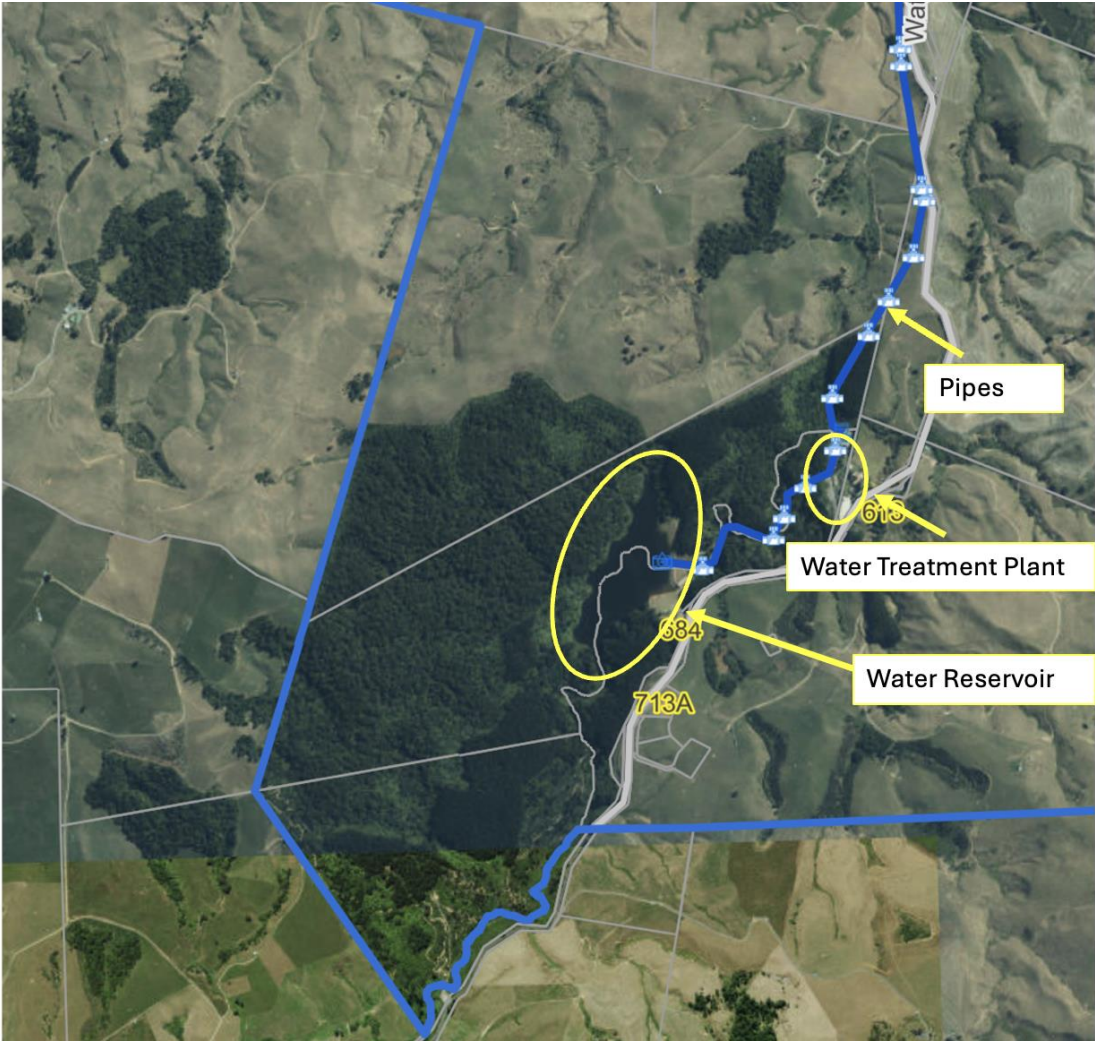
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Approved by	Susanne Kampshof Pou Rawa me ngā Kaupapa Assets and Projects Manager	
	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	

Attachment A - Te Miro Forest Location Map (Including Areas Proposed To Be Harvested)



Attachment B – Te Miro Forest Water Infrastructure Map



Item 7.7

Attachment B

Attachment C – Risks, Potential Mitigations and Resourcing Requirements

Risk #	Issue/Risk	Description	Potential Risk Mitigation/ Required Resourcing	Resourcing/ Budget Requirements
R1	Health and Safety	<p>The harvesting of pine trees within a public park is a high risk activity (i.e. fatality or serious harm to people from harvesting and related activities)</p> <p>As this is Council land, Council will remain the Person Conduction a Business or Undertaking (PCBU) under the Health and Safety Act and will need to be involved in the management of health and safety risks and ensure appropriate processes are in place.</p> <p>The project will require some oversight from Council to help identify and manage risks and ensure best practice is used such as good contractor management process prior to work starting.</p>	<p>Council to appoint a project manager with required project and risk management to ensure health and safety risks are appropriately managed.</p> <p>Project risk register to be completed and approved by Council's Safety and Wellness team. Councils requirements around contractor pre-qualifications, risk assessment and safety planning and monitoring will need to be met.</p> <p>To minimise risks to park users during tree harvesting, the part of the park where harvesting will take place is to be closed to the public. Council is to communicate the park closure with park users and the wider community.</p>	<p>Staff time. As council internal project management team has limited capacity, other work may need to be re-prioritised. If this is not possible, external resourcing may need to be sought. Currently there is no funding allocated to this.</p> <p>Council may want to consider allocating reserve funds for this.</p>
R2	Health & Operational Impact on water supply infrastructure and water supply	<p>The Water Supply Bylaw 2008 (section 3.1.5) requires due care to be taken by anyone who is working around buried services, to ensure there is no damage. As the proposed work in Areas 1 and 2 is in close proximity to existing water infrastructure, specifically, pipes that transport water to and from the treatment plant in the park, approval under the bylaw may be required.</p> <p>Council's Three Waters team has indicated that they are not opposed to the proposal, but that potential impacts on water infrastructure need to be carefully managed to prevent damage to the infrastructure and potential interruptions to the supply of town water to Morrinsville.</p>	<p>Risk can largely be mitigated through close liaison with the Three Waters team to determine the exact location of the water pipes; Determining the exact pipe location might have to involve ground penetrating radar (GPR) and other methods.</p> <p>A harvesting plan to be developed and approved by council prior to harvesting. Plan to provide detailed information about methodology for harvesting, exact locations, access routes and work areas.</p> <p>A restoration/ revegetation plan also be developed and approved by council prior to work commencing; the restoration plan should specify species and planting density,</p>	<p>Harvesting plan and restoration plan to be developed..</p> <p>Cost for harvesting plan likely to be covered through forestry company fees.</p> <p>Cost for restoration plan, depending on detail, approximately \$7,000-15,000.</p>

Risk #	Issue/Risk	Description	Potential Risk Mitigation/ Required Resourcing	Resourcing/ Budget Requirements
		<p>Potential risk to water infrastructure identified are:</p> <ul style="list-style-type: none"> • Damage to shallow or exposed parts of the pipes from logging activity and construction traffic; of concern are especially the two existing pipe bridges. • Damage from tree roots to underground pipes. • Future risk to pipes from root ingress from restoration plantings (once established). 	and maintenance plans. It should demonstrate how any adverse effects on water infrastructure will be avoided, mitigated or remedied is also required.	
R3	Health & Safety/ Operational Roles, responsibilities, liabilities	The scale and nature of the proposed works will require roles, responsibilities and liabilities to be clarified, especially in regard to health and safety requirements and insurance requirements.	<p>Use Council's project management framework, which clearly sets roles and responsibilities for the project.</p> <p>Council staff to explore appropriate forms of agreements, which will help to clarify roles and responsibilities of Council, the Club and others involved and conditions of the approval. Agreements may include Memorandum's of Understanding, Funding Agreements, or stumpage/ cutting agreements.</p>	Staff time.
R4	Operational/ Finance Sustainability of community group and relationship management	<p>Risk that key volunteers may withdraw and/or the MTB Club winds up during the project.</p> <p>Risk that conflicts between Council and the Club and/or the contractor may arise during the project.</p> <p>Identified as low risk because of the strength and experience of the MTB Club.</p>	<p>Council and MTB Club to enter into an agreement that details roles, responsibilities and conflict resolution, conditions of approval for the work, etc.</p> <p>Council staff to explore appropriate forms of agreements.</p> <p>Council could take lead role in project management.</p>	Staff time.

Risk #	Issue/Risk	Description	Potential Risk Mitigation/ Required Resourcing	Resourcing/ Budget Requirements
R5	Reputation Public Perception/ Community Views	<p>Public opposition to applying revenue from the pine tree harvesting to the Club for the proposed purpose without public input or a contestable grant process.</p> <p>Considered to be a moderate risk given revenue from the harvesting is to be applied to the park and the MTB Club has developed and maintained the tracks with minimal funding provided by Council for the activity and is providing a service to the local and wider community.</p> <p>The Te Miro Pest Control Group has indicated they are not supportive of the proposal in full but would support harvesting of some of the pines in a reasonably flat area in the north-east of the park directly adjacent to the private property. Potential damage of the harvesting operation to the understorey of native plants was a key concern.</p> <p>Ngāti Hauā have expressed a neutral position to the proposal (neither in support, nor opposed), as long as waterways are protected from the proposed harvesting activities.</p>	<p>Council can condition the use of revenue to specified works aligned to higher-order plans.</p> <p>Council could consider selling the cutting rights for the trees to the MTB Club. Conditions can be attached to the cutting right, such as basis of payment and schedule of payments, replanting requirements and expectations for reinstatement of the site, including roads, access tracks and infrastructure. Alternatively, Council takes a lead role and manages the project.</p> <p>Council to prepare communications plan for the project that clearly outlines benefits of the project.</p> <p>Preparation and council- approval of harvesting plans, following bat roost protocols and revegetation with natives are likely to address concerns expressed.</p>	Staff time.
R6	Strategic Decision on significant redevelopment ahead of completion of strategic plan for park	<p>The need to develop a reserve management plan (RMP) for the park was identified by Council in 2015 to manage the future use and development of the park and manage potentially competing uses/interests. The plan was not progressed due to other priorities. The need for a plan was confirmed in 2023 and 2024 and the Parks & Facilities Planning Team intend to work on it in 2025/26.</p> <p>The development of an RMP for this park is not a legal requirement under the Reserves Act 1977 as most of the park is not currently held under the Reserves Act and the land parcel that is held under</p>	Council to develop communications plan for the project.	<p>Staff time required to develop a communications plan.</p> <p>Operational budget for signage, advertising, media releases.</p>

Risk #	Issue/Risk	Description	Potential Risk Mitigation/ Required Resourcing	Resourcing/ Budget Requirements
		<p>it is a Local Purpose Reserve, for which there is no legal requirement to prepare an RMP (s.41(16), Reserves Act 1977).</p> <p>MPDC however uses RMPs to manage gazetted reserves as well as parks that have yet to be gazetted as Reserves, to ensure consistency and transparency in management approaches. The General Policies RMP currently applies to the park however a site specific plan would deal with more site-specific issues.</p> <p>Progressing the forestry proposal now will impact on the ability to consider the forestry activity and future use of the affected land in the RMP. It will also mean there is no an opportunity for the public to provide feedback on the forestry proposal.</p> <p>However, the proposal is consistent with Council's strategic goals for the management of park and reserves, included the General Policies Reserve Management Plan 2019 and the park category assigned to the park in the Parks and Open Space Strategy 2021 (POSS) of outdoor adventure park.</p>		
R7	<p>Compliance Resource Consents under Matamata Piako District Plan</p>	<p>The harvesting proposal is unlikely to require resource consent under the District Plan. As long as the proposal complies with the National Environmental Standard for Commercial Forestry (NES-CF) it is a permitted activity.</p> <p>Matamata-Piako District Council will need to be notified of the permitted activity (under the NES-CF); As part of the notification Forestry company will need to provide information about the activity, including nature of the activity and purpose, location, size, start and expected completion dates</p>	<p>The activity must comply with the NES-CF.</p> <p>Council to be notified of activity, as required.</p> <p>MTB track development plans to be prepared by MTB Club and approved by Council. Requirements for resource consents for track development are to be confirmed by the MTB Club.</p>	<p>Cost for notification likely to be covered through forestry company fees.</p> <p>Volunteer time/ cost for preparation of MTB track development plans.</p>

Risk #	Issue/Risk	Description	Potential Risk Mitigation/ Required Resourcing	Resourcing/ Budget Requirements
		<p>and how the proposed activity complies with the NES-CF.</p> <p>One potential concern raised is the proximity of the harvest site to the native forest block identified in the District Plan as a '(potentially) Significant Natural Feature' (SNF) and known to be considered of regional ecological significance. This risk can be managed through directional felling of the pine trees and appropriate buffer planting post-harvest.</p> <p>A plan outlining the planned redevelopment of the MTB tracks will need to be prepared by the MTB Club and approved by Council prior to the track rebuilding taking place. Resource consents may be required if significant earthworks are proposed, though this is unlikely.</p> <p>Ngāti Hauā, expressed that any work should not impact the waterways.</p>	<p>Directional felling of vegetation, if actual harvest sites are in close proximity to SNF.</p>	
R8	<p>Compliance Waikato Regional Council Resource Consent requirements</p>	<p>The proposal is unlikely to require resource consent from Waikato Regional Council. As long as the proposal complies with the National Environmental Standard for Commercial Forestry (NES-CF), and no significant earthworks or works near waterways are involved, it is a permitted activity.</p> <p>Waikato Regional Council will need to be notified of the permitted activity (under the NES-CF); As part of the notification the MTB Club/ Forestry company will need to provide information about the activity, including nature of the activity and purpose, location, size, start and expected</p>	<p>The activity must comply with the NES-CF.</p> <p>Council to be notified of activity, as required, within relevant notice period (likely 20 working days).</p> <p>Project manager to confirm which plans will need to be submitted to demonstrate compliance with NES-CF e.g. earthworks, harvesting, river crossing, replanting plans, etc.</p>	<p>Cost for notification likely to be covered through forestry company fees.</p>

Risk #	Issue/Risk	Description	Potential Risk Mitigation/ Required Resourcing	Resourcing/ Budget Requirements
		<p>completion dates and how the proposed activity complies with the NES-CF.</p> <p>Earthworks, harvesting, river crossing and replanting plans are likely to be required.</p>		
R9	Environmental Presence of Bats	<p>The presence of bats has been confirmed at the park in February 2025. Of the 11 monitors 5 were installed in the areas to be harvested.</p> <p>Bat activity was recorded on all monitors, with preliminary evidence of multiple bats in most locations, including feeding and social calls and a potential bat roost was identified near one of the monitoring locations, however not in close proximity to the areas to be harvested.</p> <p>No rules to manage impact on bats are included within the NES-CF, however as bats are a threatened species and protected under the Wildlife Act 1953, Council should be a role model in regard to dealing with known bat presence.</p> <p>Impacts on bats and bat habitat from harvesting activity should be avoided, remedied, or mitigated.</p>	<p>The Department of Conservation (DOC) Protocols for minimising the risk of felling occupied bat roosts (Bat Roost Protocols) need to be applied to the proposed activity, by the forestry operation company, to minimise the risk of killing or injuring bats during tree removal.</p> <p>The forestry contractor to prepare a plan outlining how they will comply with the Bat Roost Protocols.</p>	<p>Potential costs for compliance with Bat Roost Protocols, including bat monitoring, emergence watches, etc for a four week harvest period is estimated to be between \$15,000 and \$20,000.</p> <p>Costs for compliance with the Bat Roost Protocols will need to be covered.</p>
R10	Environmental Amenity values	<p>The harvesting of mature pine trees may temporarily impact on visual amenity of the site.</p>	<p>Mitigated in the short term though only part of the area being harvested and in the medium term through replanting with native trees.</p>	<p>Cost for restoration plan development and cost for restoration (planting, animal pest and weed control) to be covered.</p> <p>Cost for restoration plan is estimated to be \$7,000 to 15,000.</p> <p>Initial cost estimates for restoration with natives</p>

Risk #	Issue/Risk	Description	Potential Risk Mitigation/ Required Resourcing	Resourcing/ Budget Requirements
				plants is \$20,000 per hectare.
R11	Financial	<p>Uncertainty about market conditions and prices for pine trees, which may make the proposal unviable from a financial perspective.</p> <p>Risk that the income generated from the harvesting of the trees may not fully cover the costs of the revegetation planting and track redevelopment.</p> <p>A peer review of the harvest proposal and value assessment was undertaken by a reputable forestry company. This indicated that market prices for Radiata pine have increased since the initial proposal was provided to the MTB Club, meaning that the likely revenue from harvesting may be higher than initially expected, but this all depends on market prices at the time of harvesting and condition of the trees.</p> <p>The peer assessment noted that the value assessment does not appear to include estimates for post-harvest clean up and that this needs to be allowed for.</p> <p>Based on the age of the trees and market situation, tree harvesting should be undertaken as soon as possible.</p> <p>The cost for the revegetation plantings and required maintenance, and track redevelopment will almost certainly exceed the income from the harvesting. The MTB Club has indicated that harvesting will not take place until all funding required to undertake the replanting and redevelopment has been raised.</p>	<p>Obtain updated value estimates prior to the proposed work commencing. Value estimates to include cost for clean-up post-harvest.</p> <p>Council specifies or limits in an agreement what the revenue may be spent on including any potential surplus funds.</p> <p>Council project management and/or conditions in agreements.</p> <p>Council 'ring fences' what any potential surplus may be used for.</p>	<p>Staff time for liaison with MTB Club and drafting of agreement.</p> <p>Funding for implementation required.</p>

Risk #	Issue/Risk	Description	Potential Risk Mitigation/ Required Resourcing	Resourcing/ Budget Requirements
		There is a degree of market uncertainty about log prices i.e. at harvest they may be worth less or more than anticipated.		

Item 7.7

Attachment C

7 Pūrongo me whakatau | Decision Reports

7.8 Naming Rights Request - Morrinsville Events Centre

CM No.: 3009400

Te Kaupapa | Purpose

To assess a proposal to name a court at the Morrinsville Events Centre after former Mayor Hugh Vercoe in exchange for a \$60,000 grant (\$30,000 from the group and \$30,000 from a local service club) for facility improvements.

Rāpopotonga Matua | Executive Summary

We have been advised that the Morrinsville Event Centre Charitable Trust (the Trust) is planning to wind up. We have been advised that the Trust proposes to gift approximately \$30,000 to the Council. We understand the gift is likely to be matched by an equivalent contribution from a local service club. The Trust will request that the funds be used to improve the Morrinsville Events Centre. The Trust also requests that the Council name one of the courts after former Mayor Hugh Vercoe.

Staff submitted a report to the Executive Team recommending that a policy be prepared covering the allocation of naming rights. The staff report is attached to this report. The Executive Team agreed with the recommendation, noting that due to current workloads, the policy might take many months to develop.

As an interim step, a decision tree framework based on the staff report has been prepared. The Trust's request is proposed to be considered in the framework's context. This process can then inform the policy development process.

This approach is intended to allow the request from the Trust to be advanced.

Tūtohunga | Recommendation

That:

- 1. Council approves naming a court at the Morrinsville Events Centre after former Mayor Hugh Vercoe in recognition of his significant contribution to the facility and community.**
- 2. Council is prepared to accept a \$30,000 grant from the Morrinsville Events Centre Charitable Trust and a matching \$30,000 from a local service club for improvements at the Morrinsville Events Centre.**
- 3. Council delegates authority to the Chief Executive to finalise the naming rights agreement with appropriate conditions.**
- 4. Council notes that this decision will inform the development of a comprehensive Sponsorship and Naming Rights Policy.**

Horopaki | Background

The Trust was established in 1995 to provide community leadership in funding and building the Morrinsville Events Centre. The project was a collaborative venture between the Trust, Council Service clubs, and the community. Several prominent Morrinsville people were involved in the project, including Hugh Vercoe. Mr Vercoe's local government services included serving as Morrinsville Community Board Chair and Mayor for 15 years, followed by 9 years as a regional councillor.

We understand that the Trust is planning to wind down its operations and proposes gifting \$30,000 to the Council. We also understand that another \$30,000 from a local service club is likely to match the contribution. The total of \$60,000 would be designated for improvements to the Morrinsville Events Centre, with a court within the facility named after Hugh Vercoe.

Staff have recommended developing a comprehensive Sponsorship and Naming Rights Policy to ensure consistent decision-making in these matters. However, as this policy development will take several months, an interim decision tree has been created to assess the current request without undue delay.

Note that we have yet to receive a request from the Trust in writing.

A large language model has been used to generate aspects of the report, including

- The proposed decision tree generated by referencing the attached staff report.
- The completed assessment for this proposal.

These two documents are attached to the report.

Ngā Take/Kōrerorero | Issues/Discussion

Vercoe Family

We are not aware of any discussions with the Vercoe family. We hope to clarify this for the Council meeting. The family's permission is considered to be a pre-requisite for any naming proposal.

The other key issues requiring consideration include:

1. **Policy Vacuum:** Council currently lacks a comprehensive policy for naming rights and sponsorships. Historically, decisions have been made on an ad hoc basis.
2. **Recognition of Community Contribution:** This request represents an opportunity to acknowledge Hugh Vercoe's significant contributions to both the Morrinsville Events Centre and the broader community. It's important to note that naming the Court does not exclude other forms of recognition should this be deemed appropriate.
3. **Financial Benefit:** The proposed \$60,000 grant would improve the facility meaningfully without creating undue financial dependencies.
4. **Precedent Setting:** Although this decision might inform future requests, the unique circumstances (former Mayor, significant community contribution, facility connection) lessen concerns about setting problematic precedents.

5. **Timing:** Delaying the decision until a full policy is developed could frustrate community groups and potentially result in a loss of funding.

Mōrearea | Risk

Potential risks associated with this naming rights request include:

1. **Consistency and Transparency:** Without an established policy, perceptions of inconsistent decision-making may arise. This can be addressed by employing a structured decision tree approach.
2. **Duration and Terms:** A clear specification of the duration of naming rights and the associated terms must be established to avoid future complications.
3. **Implementation Costs:** It is proposed any resulting expenses eg signage would be paid from expenses and ongoing maintenance obligations.
4. **Future Facility Changes:** Should the facility experience substantial modifications in the future, the naming arrangement might require reassessment.
5. **Public Reception:** While Hugh Vercoe was generally well-regarded, any naming decision carries some risk of mixed public reception. Given his extensive service to the community, this risk is considered low.

Ngā Whiringa | Options

Approve the recommendation and approve the Naming proposal based on the attached Decision Tree

Option One – Approve the Recommendations
Description of option
<p>Council would</p> <ol style="list-style-type: none"> 1. Approve naming a court at the Morrinsville Events Centre after former Mayor Hugh Vercoe in recognition of his significant contribution to the facility and community, based on the attached assessment. 2. Be prepared to accept a \$30,000 grant from the Morrinsville Events Centre Charitable Trust and a matching \$30,000 from a local service club for improvements at the Morrinsville Events Centre. 3. Delegate authority to the Chief Executive to finalize the naming rights agreement with appropriate conditions. 4. Note that this decision will inform the development of a comprehensive Sponsorship and Naming Rights Policy

Advantages	Disadvantages
The proposal can be advanced without delay.	The decision would be made in the absence of a formal policy.
The consideration of this issue including the decision tree process could inform the policy development.	

Option Two – Defer the issue pending the development of an appropriate policy.

Description of option	
Staff would assess when a policy could be developed and advise the other parties.	
Advantages	Disadvantages
Reduces the risk of inconsistent decision making	May frustrate the community groups
	Council may lose all or part of the contributions.

Recommended option

Option 1 as noted in the options assessment.

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

There are not considered to be any other relevant matters.

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 low 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 considered that the views of relevant parties are noted in the report.
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 low

	level of significance.
Section 82 – this sets out principles of consultation.	Consultation is not considered necessary.

Policy Considerations

1. To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

An appropriate communication process will be developed, depending on Council's decision.

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

Any costs of the proposal would be expected to be funded from the contributions.

Ngā Tāpiritanga | Attachments

[A↓](#). Naming Rights and Sponsorships Report to Executive Team



[B↓](#). Naming rights decision tree - Template



[C↓](#). Naming Rights Decision Tree Assessment - Morrinsville Events Centre Court



Ngā waitohu | Signatories

Author(s)	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	
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Approved by	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	
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To : Executive Team
From : Parks & Facilities Planning T/L
Date : 26 February 2025
Subject: **Sponsorships and Naming Rights Policy**

1 Proposal

1.1 To develop a Sponsorship and Naming Rights Policy for Council facilities and assets.

2 Background

- 2.1. Council is increasingly delivering projects in partnership with community groups e.g. Thomas Park Redevelopment, Matamata Destination Playground, Matamata Stadium, etc.
- 2.2. Historically Council has awarded naming rights on an ad hoc basis in the absence of any policy guidance.
- 2.3. There are potential risks associated with naming rights, including:
- a) Public perception that the process is not transparent or consistent
 - b) Perceived inequity of naming rights opportunities
 - c) An individual or organization might fall into disrepute following a grant of naming rights which may then reflect poorly on Council
 - d) Naming rights might be granted too easily / cheaply
 - e) Naming rights might be granted too sparingly and opportunities to attract major donors might be limited as a result
 - f) Uncertainty about the duration of naming rights
 - g) Uncertainty about practical matters like the removal of signs and logos, updating of websites etc. and who is responsible for this.
- 2.4. Council is facing financial pressures and both naming rights and sponsorship opportunities could help offset costs.
- 2.5. There is recent interest in sponsorship of Council assets at event centres and pools.
- 2.6. There is a policy vacuum for both naming rights and sponsorship. The only policy reference to sponsorship occurs in the Signage Strategy 2016 (see 3.2 below).
- 2.7. There is no process to manage sponsorship requests from the public.

3 Legal/Strategic/Policy Context

- 3.1 MPDC has policies for naming reserves and roads but no policy for naming rights.
- 3.2 The Signage Strategy 2016 provides some guidance for acknowledging major contributors to projects on park signage and acknowledges that Council may also acknowledge that granting naming-rights in return for sponsorship:
- a) The Signage Manual shall include guidelines and/or rules for dual-branded and multiple-branded signage to acknowledge a substantial or significant contribution to a project or programme by a volunteer community group, agency or organisation.
 - b) The Signage Manual shall include guidelines and/or rules about sponsorship signage at sports parks, outdoor adventure parks, event centres and swimming pool complexes.
 - c) In addition to 5.5 (a) & (b) above, Council may by Resolution choose to acknowledge key sponsorships of major projects through the naming of a facility or part of a facility (for example a new wing of a building). This type of acknowledgement shall generally be reserved for cases where:
 - (i) the sponsor has provided a significant majority of the funding towards a project; or
 - (ii) the sponsor has provided a significantly larger contribution towards the funding a project than any other sponsors of the same project; and
 - (iii) the project is unlikely to have been completed successfully without the funding contributed by the sponsor.
- 3.3 There is no policy for seeking, implementing or managing sponsorship arrangements.

4 Analysis/Issues/Options

- 4.1 Some Councils have developed a sponsorship policy to address the risks and opportunities e.g. [Waipa District Council](#).
- 4.2 Matters typically addressed in a sponsorship policy:
- a) Criteria for accepting sponsorship including what types of sponsorship will not be accepted e.g. sponsor's products are offensive, unhealthy, or, there is a significant risk of conflict of interest (real or perceived) etc.
 - b) Maintaining independence from sponsor / not implying endorsement of sponsor
 - c) Clarify Council and sponsor rights and duties
 - d) Intellectual property
 - e) Communications
 - f) Time limits for sponsorship
 - g) Provision for naming rights agreements and what they should cover
 - h) Delegations for decision-making and entering into agreements
- 4.3. Naming rights policies are common among universities which need to balance a need for revenue with academic freedom and perceptions of independence. As an example, [Lincoln](#)

University's policy provides for both the purchasing of naming rights as well as the awarding of naming rights in recognition of service contributions.

- 4.4 Matters typically addressed in a naming rights policy:
- a) Defining what can be named (e.g. buildings, rooms, events or whatever)
 - b) Criteria for decision-making
 - c) Delegations
 - d) Different types of naming rights e.g. naming rights 'sold' to a donor/sponsor vs. cultural naming rights (mana whenua provide a name), and commemorative naming rights (e.g. recognizing an individual or group who have made a significant contribution to the community or facility being named).
 - e) Clarify rights and duties
 - f) Intellectual property
 - g) Communications
 - h) Provision for sponsorship agreements and what they should cover
 - i) Time limits for naming rights (where naming rights are "sold").
- 4.5 There is commonality in issues between the two types of policy and the potential to develop a single policy document to cover both sponsorships and naming-rights.
- 4.6 Cultural naming rights and naming rights as recognition for valuable services are likely to be more controversial than simply defining the process for commercial sponsorships and naming rights.
- 4.7 Developing a simple policy should not be too resource intensive as there are good examples around from which relevant points can be adapted to our situation. It should not require more than a couple of days work if the scope is limited to commercial sponsorships/naming rights. It may take considerably longer if elected members cannot agree on the scope and content.

5 Recommendation

- 5.1 To draft a simple and concise policy that includes decision-making criteria to assist Council when deciding on naming-rights or sponsorships.

6 Appendices

- 6.1 MPDC's Reserve naming policy (Extract from General Policies RMP 2019):

Objectives

- A Reserve names will reflect our natural, cultural and historical heritage.
- B Reserve names will be locally and regionally appropriate.

Policies

1. All reserves vested in, or administered by, Matamata-Piako District Council shall have an appropriate formal name.
2. The following factors shall be considered when naming a reserve:
 - a. the purpose and character of the reserve;
 - b. the history of the site including any historic names;
 - c. prominent natural or geographic features in the area;
 - d. the potential for duplication or confusion (especially confusion with other reserves in the district or within adjoining districts that have the same or similar names);
 - e. whether dual-naming may be appropriate;
 - f. the expressed wishes of donors;
 - g. the expressed wishes of Iwi;
 - h. public submissions.
3. The following process shall be followed to name, or the change the name of, a reserve vested in Council:
 - a. A Council Decision shall establish a proposed name or short list of names for the reserve.
 - b. The proposed name (or list of names) shall be publicly advertised.
 - c. The public shall be given twenty working days in which to make submissions on the proposed name(s).
 - d. Council shall give due consideration to the submissions received.
 - e. Council may seek comment from the New Zealand Geographic Board.
 - f. A Council Decision shall be made to select the preferred name.
 - g. Notice shall be placed in the *New Zealand Gazette* in accordance with Section 10 of the Reserves Act 1977.
 - h. Following publication in the *New Zealand Gazette* the relevant reserve management plan shall be updated to reflect the new name.

6-24 Administration | General Policies Reserve Management Plan 2019

- 6.2 MPDC Numbering of Properties, Naming of Roads, Access Ways and Open Spaces Policy:
CM [2215303](#)

Proposed Naming Rights and Sponsorship Decision Tree

For Council Facilities and Assets

ASSESSMENT FRAMEWORK

STEP 1: INITIAL CATEGORIZATION

- Is this request primarily:
 - Commercial sponsorship (financial contribution in exchange for naming/promotion)
 - Recognition naming (for significant community contribution)
 - Cultural naming (mana whenua significance)
 - Commemorative naming (honoring historical figure/event)

STEP 2: ALIGNMENT EVALUATION

- Does the proposed naming/sponsorship:
 - Align with Council's strategic objectives?
 - Enhance the facility's purpose or use?
 - Potentially create community benefit beyond financial gain?
 - Respect cultural and historical significance of the site?

STEP 3: RISK ASSESSMENT

- Could the proposed naming/sponsorship:
 - Create a perception of conflict of interest?
 - Associate Council with products/services that may be harmful?
 - Potentially cause reputational damage now or in future?
 - Limit Council's independence in decision-making?
 - Create perception of inequity in opportunities?

STEP 4: VALUE ASSESSMENT

- For commercial sponsorships:
 - Is the financial contribution proportionate to the naming/sponsorship opportunity?
 - Is the duration of rights appropriate to the contribution?
 - Are there non-financial benefits that enhance the value proposition?
- For recognition naming:
 - Is the contribution to the community/facility significant and demonstrable?
 - Is there documented community support for this recognition?

STEP 5: PRACTICAL CONSIDERATIONS

- Have the following been clearly established:
 - Duration of naming rights/sponsorship agreement?
 - Signage and promotional requirements and limitations?
 - Responsibilities for costs (installation, maintenance, removal)?
 - Process for renewal/termination?

- Intellectual property considerations?

STEP 6: CONSULTATION REQUIREMENTS

- Have the following stakeholders been consulted as appropriate:
 - Iwi/mana whenua (especially for cultural significance)
 - Current facility users
 - Wider community (for major/significant facilities)
 - Legal team (for agreement terms)
 - Communications team (for implementation)

DECISION PATHWAY

LOW RISK / LOW VALUE (Delegation to staff)

- Small-scale, temporary sponsorships (e.g., event sponsorship)
- Minimal signage requirements
- Duration less than 12 months
- Financial value under \$10,000

MEDIUM RISK / MEDIUM VALUE (Delegation to CE/Senior Executive)

- Medium-scale naming rights for rooms/areas within facilities
- Moderate signage requirements
- Duration 1-3 years
- Financial value \$10,000-\$50,000

HIGH RISK / HIGH VALUE (Council decision required)

- Naming rights for entire facilities
- Significant signage implications
- Duration over 3 years
- Financial value over \$50,000
- Any proposal where risk assessment flags multiple concerns

IMPLEMENTATION CHECKLIST

Once approved, ensure:

- Written agreement capturing all terms
- Clear specification of signage/promotional elements
- Communication plan for public announcement
- System for tracking expiry/renewal dates
- Process for regular review of relationship
- Plan for transition at end of agreement

TERMINATION CONDITIONS

Consider including provisions for early termination if:

- Sponsor/named entity becomes involved in activity contrary to Council values
- Sponsor/named entity fails to fulfill agreed obligations
- Facility undergoes significant change of purpose/use

- Council determines continuing the arrangement is not in public interest

DOCUMENTATION REQUIREMENTS

Maintain records of:

- Original application/proposal
- Assessment against this decision tree
- Consultation outcomes
- Final agreement
- Photos of implemented signage/promotion
- Any public feedback received

This decision tree is intended for interim use pending development of a comprehensive Sponsorship and Naming Rights Policy. Decisions made using this framework should be documented to inform future policy development.

Appendix: Completed Decision Tree Assessment

STEP 1: INITIAL CATEGORIZATION

- Recognition naming (for significant community contribution)

STEP 2: ALIGNMENT EVALUATION

- Align with Council's strategic objectives
- Enhance the facility's purpose or use?
- Potentially create community benefit beyond financial gain?
- Respect cultural and historical significance of the site?

STEP 3: RISK ASSESSMENT

- Create a perception of conflict of interest?
- Associate Council with products/services that may be harmful?
- Potentially cause reputational damage now or in future?
- Limit Council's independence in decision-making?
- Create perception of inequity in opportunities?

STEP 4: VALUE ASSESSMENT

- For recognition naming:
 - Is the contribution to the community/facility significant and demonstrable?
 - Is there documented community support for this recognition?

STEP 5: PRACTICAL CONSIDERATIONS

- Have the following been clearly established:
 - Duration of naming rights/sponsorship agreement? (To be specified in final agreement)
 - Signage and promotional requirements and limitations? (To be specified in final agreement)
 - Responsibilities for costs (installation, maintenance, removal)? (To be specified in final agreement)
 - Process for renewal/termination? (To be specified in final agreement)
 - Intellectual property considerations? (To be specified in final agreement)

STEP 6: CONSULTATION REQUIREMENTS

- Have the following stakeholders been consulted as appropriate:
 - Iwi/mana whenua (To be completed if site has cultural significance)
 - Current facility users (To be completed prior to implementation)
 - Wider community (Consider informal consultation)
 - Legal team (To be consulted for agreement terms)

- [] Communications team (To be consulted for implementation)

DECISION PATHWAY This request falls into the **MEDIUM RISK / MEDIUM VALUE** category:

- Medium-scale naming rights for rooms/areas within facilities
- Moderate signage requirements
- Duration to be determined (recommend 10+ years given commemorative nature)
- Financial value: \$60,000 (falls just outside the \$10,000-\$50,000 range)

8 Ngā Pūrongo Whakamārama | Information Reports

8.1 Mayoral Diary for January - February 2025

CM No.: 2990322

Te Kaupapa | Purpose

The purpose of this report is to present the Mayoral Diary from the previous few months.

Rāpopotonga Matua | Executive Summary

A summary of the Mayoral diary is attached for the months of January and February 2025.

Tūtohunga | Recommendation

That:

1. The information is received.

Ngā Tāpiritanga | Attachments

[A↓](#) Mayoral diary for January/February 2025



Ngā waitohu | Signatories

Author(s)	Debbie Burge Kaiārahi Tautoko i te Koromatua me te Tumu Whakarae Executive Assistant to the Mayor & CEO	
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Approved by	Adrienne Wilcock Manuhuia Mayor	
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<p>Monday 20 January</p>	<p>Walsh Flying School I attended the Wings Presentation and Awards Dinner at the Waharoa Aerodrome.</p> <p>The two weeks ran well with good weather and good attendance.</p> <p>The Morrinsville Scouts catered for the camp, it was no easy task and they handled the task well.</p>
<p>Tuesday 21 January</p>	<p>Meeting with council staff A check in with the governance staff to talk about the meetings coming up later in the month.</p> <p>Funeral service I attended the funeral for one of Te Aroha’s volunteers. Ngaire may not have lived in Te Aroha for long but her service to the community was broad.</p>
<p>Wednesday 22 January</p>	<p>Meeting with Council staff With Tuatahi about the upcoming pōwhiri.</p> <p>Flood modelling online meeting A meeting to talk about the workshop item being presented the following week.</p>
<p>Friday 24 January</p>	<p>Meeting with Morrinsville businessman A catch up about matters in general.</p>
<p>Tuesday 28 January</p>	<p>Meeting with council staff</p> <p>Meeting with Regional Council Chair A check in meeting with Pamela about council matters.</p> <p>Waikato Waters Done Well mayoral briefing Held at the Hamilton Airport.</p>
<p>Wednesday 29 January</p>	<p>Pōwhiri for new CEO Karanga reverberated through the Silver Fern Farms Event Centre early on Wednesday morning as our new Tumu Whakarae Chief Executive Officer, Manaia Te Wiata, was welcomed with a pōwhiri.</p> <p>Attended by over 240 people, including more than 150 staff, it was a moving experience for many attendees.</p>




Council workshop



At the conclusion of the pōwhiri, council held its first workshop of the year.

February 2025

Monday 3 February	Pōwhiri for Waikato District Council CEO Our CEO Manaia and I travelled to Ngaruawahia for the pōwhiri of their new CEO Craig Hobbs.
Tuesday 4 February	Meeting with council staff To discuss upcoming meetings and agendas.
Wednesday 5 February	Council meeting Media recording After our council meeting I met with our communication staff to record messaging for social media.
Saturday 8 February	Poukai This Poukai was held at Hukanui Marae. I attended with our CEO Manaia and his wife Brenda.
Monday 10 February	Meeting with Future Proof chair Our CEO Manaia and I had a check in with Chair of Future Proof, Bill Wasley in Matamata. Our council is a part of Future Proof with HCC, Waikato and Waipa DC's. Meeting with Matamata Chamber Chair Manaia and I met with Lynette, to introduce Manaia in his new role of CEO and to talk about matters of interest to Matamata. Online meeting With regard to the Waikato Waters Done Well (WWDW) communications lead.
Tuesday 11 February	Meeting with Morrinsville Businessman Manaia and I met to discuss their proposal. Te Manawhenua Forum It is with deep respect and gratitude that we acknowledged Te Ao Marama Maaka's decision to step down as Chairperson of the Te

	<p>Manawhenua Forum mō Matamata-Piako District Council. Te Ao Māori has been a steadfast advocate for Te Ao Māori within Council, dedicating over 20 years of service to ensuring that the voice of mana whenua is embedded within the decision-making processes that help shape our district.</p> 
<p>Wednesday 12 February</p>	<p>Dairy Expo Held at Bedford Park in Matamata, it was a good opportunity to network with business and attendees.</p>
<p>Thursday 13 February</p>	<p>Meeting with Morrinsville resident About concerns around dogs.</p> <p>Morrinsville Probus meeting I was guest speaker at their meeting. I spoke on a broad range of topics about council and answered questions afterwards.</p> <p>Meeting with Manaia A mid-week check in with our CEO.</p> <p>Morrinsville Chamber Chair and CE meeting Manaia and I met with Nigel and Cathy to discuss matters relating to Morrinsville.</p> <p>Meeting with Morrinsville businessman Final meeting of the day for Manaia and myself.</p>
<p>Friday 14 February</p>	<p>Peace Run event I met with Daniel Rubin and other relay runners of the “Peace Run” when they visited Walton School as part of the relay.</p> <p>In 1987 during the inaugural Peace Run a number of iconic national locations were dedicated to world peace as the Peace Blossom Program. They were named after the founder of this global relay, the late Sri Chinmoy, and their simple purpose was to offer focal points for peace in communities everywhere</p>



<p>Saturday 15 February</p>	<p>Matamata Racing Club Breeders Stakes Day Warwick and I attended the successful day. A well-attended event on a glorious February day.</p>
<p>Monday 17 February</p>	<p>Waikato Mayoral Forum Held at Otorohanga District Council. We heard from some external speakers. There was good discussion on matters of interest to the broader Waikato region.</p>
<p>Tuesday 18 February</p>	<p>Matamata Grey Power meeting I was the guest speaker for their morning meeting held the Matamata club. I spoke on a broad range of council related topics and answered questions.</p>
<p>Thursday 19 February</p>	<p>Site visit to Gallagher Stadium I was joined by Matamata Futures members to see this new facility in the Waitomo District. We were interested to see their new facility in use. It is a successful project with the support by Council, Ministry of Education and the Waitomo community</p> <div style="display: flex; justify-content: space-around;">   </div>
<p>Friday 20 February</p>	<p>Future proof Public Transport Subcommittee meeting Held at Waikato Regional Council offices.</p>
<p>Monday 21 February</p>	<p>Meeting with Tim van de Molen Tim and I caught up to discuss matters of interest in our district.</p>

		<p>WWDW online discussion This meeting was for Mayors and CE's who are part of the WWDW proposal.</p>
		<p>Citizenship Ceremony We welcomed 45 new Kiwi citizens to our district.</p>
<p>Thursday 27 and Friday 28 February</p>		<p>Sector meeting and Rural and Provincial meetings Held in Wellington. There were some interesting speakers and presentations over the two days.</p> <p>WWDW meeting with minister Watts While we were in Wellington for the above meetings, our group met with Minister Watts at the Beehive to update him about our proposal.</p>