

# 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 8 February 2023  
**Wā | Time:** 9.00am  
**Wāhi | Venue:** Council Chambers  
35 Kenrick Street  
TE AROHA

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### Ngā Mema | Membership

#### **Koromatua | 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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**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 14 December 2022

**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 Matamata Playground Co-design Project

CM No.: 2682809

#### Rāpopotonga Matua | Executive Summary

Matamata Futures have proposed partnering with Council on a co-design project to redevelop the playground at the Matamata Domain.

The purpose of this report is to gain approval in principle for the:

- allocated Council budget in 2024/25 towards the Matamata playground co-design project
- proposed location being the Matamata Domain
- proposed Memorandum of Understanding which includes a project timeline and roles and responsibilities between Matamata Futures and Council.

#### Tūtohunga | Recommendation

That:

1. In principle, Council allocate up to \$\_\_\_\_\_ towards the Matamata Playground Co-design project from the already allocated \$3,000,000 of funding for Destination Playgrounds within the 2021-31 Long Term Plan in 2024/25.
2. In principle, Council resolve that the Matamata Domain is the appropriate location for the Matamata Playground Co-design project.
3. Council resolve to work on the Matamata Playground Co-design project in partnership with Matamata Futures in accordance with a Memorandum of Understanding.

#### Horopaki | Background

##### Long Term Plan 2021-31

Included within the Long Term Plan was \$3,000,000 for Destination Playgrounds across the District, \$1,000,000 in each of 2024/25, 2025/26 and 2026/27. The Plan stated Council will look to develop at least one destination playground and, depending on cost, may be able to have one in each of the main towns.

Morrinsville now has two new community playgrounds, Thomas Park and Lockerbie. Thomas Park was completely renewed in 2022/23 and Lockerbie was constructed new in 2022/23

The Lockerbie playground meets Council and community aspiration for at least one community playground within 15-20 minutes walking distance of urban residential properties. Council has also upgraded the Thomas Park playground to be at a higher standard and involved the community in the design. From a technical perspective it is not anticipated that a destination playground is required in Morrinsville.

##### Parks and Open Spaces Strategy 2021

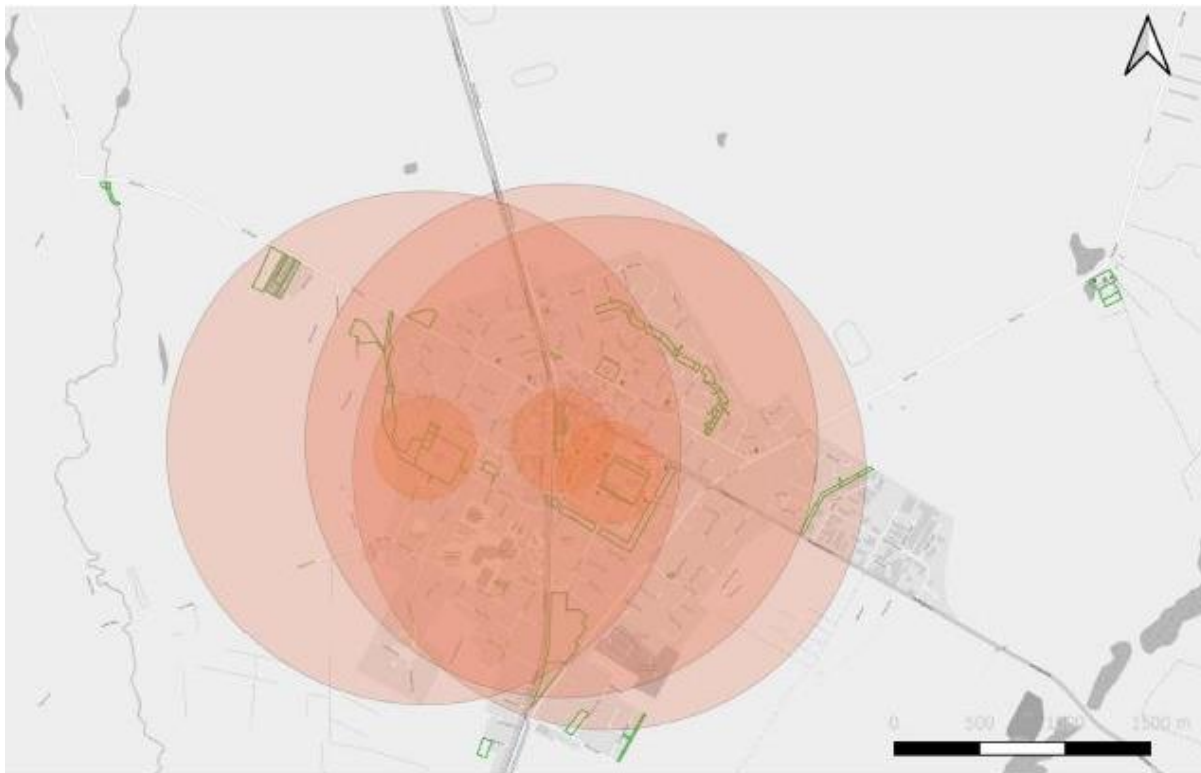


Council's Parks and Open Spaces Strategy sets the strategic direction for all Parks and Open Spaces across the District and was adopted 2021. The full document can be viewed here; <https://www.mpd.govt.nz/pdf/CouncilDocuments/Strategies/OpenSpaces/POSSFinal.pdf>

Consultation supported improving accessibility, play value, shade at playgrounds in general and a destination playground for Matamata or improving playgrounds generally. The Strategy aims to provide 'at least one Community Playground' in each town. There are no specific provision guidelines for a destination playground identified in the strategy. It has identified consideration be on a case-by-case basis. Destination playgrounds are at a higher level than community playgrounds, offering a wider range of play experiences, which are comprehensive and interesting, for all ages and abilities and has a high level of use. The location will be attractive enough to be a destination in its own right and be a significant draw card in bringing people (residents and visitors) to the park/area.

PLAY				
Management Category	Description	Provision Guidelines	Development Guidelines	Service Guidelines
Destination Playground	<ul style="list-style-type: none"> <li>A destination playground offers a wide range of play experiences, which are comprehensive and interesting, for all ages and abilities and has a high level of use. The location will be attractive enough to be a destination in its own right and be a significant draw card in bringing people (residents and visitors) to the park / area.</li> </ul>	<ul style="list-style-type: none"> <li>No minimum provision requirement. Consider merits on a case-by-case basis.</li> </ul>	<ul style="list-style-type: none"> <li>Destination playgrounds have a high level of development, providing for play for all age groups – toddler, child, teenager play opportunities</li> </ul>	<ul style="list-style-type: none"> <li>High level of service.</li> </ul>
Community Playground	<ul style="list-style-type: none"> <li>A community playground offers moderate play experiences for all ages and is located in areas generally supported by or near to other recreational or community facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Within 15 - 20 minutes walk from residences in urban setting, located in key setting.</li> <li>Minimum of one playground in a central location per town</li> <li>Key location easy access</li> </ul>	<ul style="list-style-type: none"> <li>Offering opportunities of play for all age groups. May have separate areas for different age groups.</li> </ul>	<ul style="list-style-type: none"> <li>Medium – High level of service</li> </ul>
Local/ Neighbourhood Playground	<ul style="list-style-type: none"> <li>A neighbourhood playground offers basic play experiences located less than a 15-minute walk from residential properties. These playgrounds support the immediate residential area providing for an hour-long visit.</li> </ul>	<ul style="list-style-type: none"> <li>Within 10-15 minutes walk from residences in urban settings</li> </ul>	<ul style="list-style-type: none"> <li>Neighbourhood playgrounds are generally located within grass areas, small parks, local open space and are designed for play and informal recreation</li> </ul>	<ul style="list-style-type: none"> <li>Medium level of service.</li> </ul>
Youth Facilities	<ul style="list-style-type: none"> <li>Facilities providing physical activity opportunities for youth (e.g. skate parks, skate paths, pump tracks, outdoor exercise equipment, outdoor basketball courts, extreme swings etc.)</li> </ul>	<ul style="list-style-type: none"> <li>At least one facility per town catering for youth</li> </ul>	<ul style="list-style-type: none"> <li>Typically located at Sports Parks or Community Parks. Could also be located at Outdoor Adventure Park if the nature of the activity requires it or Linkage Park if compatible.</li> </ul>	<ul style="list-style-type: none"> <li>Medium to high level of service depending on nature of facility and location.</li> </ul>

The Strategy considered potential locations for a community playground spatially, indicating that Matamata Domain or Hētana Street Reserve would provide the widest coverage to the towns current configuration. Pohlen Park could be a future option for an additional community playground if the town expands towards Peria and Station Road.



*Potential locations for a Community Playground with indicating less than 15-20 minutes walk*

Council need to consider whether Matamata Domain is the most appropriate location for a Community Playground and potentially could be developed into destination playground.

The Parks and Open Spaces Strategy sets the aspirations for play value across our district and these will be utilised throughout this project to ensure we are meeting the needs of our whole community.

#### Pride of Place – Matamata

The Pride of Place Matamata - Strategy and Action Plan was adopted by Council in July 2022. One of the items identified in the action plan, (following co-design engagement with the community) was “Pop-up Play opportunities at the Domain”. This action item can tie in seamlessly with this project, as it will provide opportunities to test a range of activities as part of community co-design for the final future playground.

#### Co-design project timeline and Memorandum of Understanding

Matamata Futures have expressed interest in upgrading the playground at the Matamata Domain. They are very keen to work in partnership with Council including in engagement, design and fundraising. This matter has been discussed at Council workshops in 2021 and 2022 where support was indicated for a partnership approach to this project.

Council staff have been working closely with Matamata Futures to draft a project timeline and Memorandum of Understanding. The draft project timeline takes into account Council’s budget within the Long Term Plan allocated from 2024/25, the aspirations set out in the Parks and Open Spaces Strategy and the Pride of Place project findings.

The high level project timings below set out the different phases of the project and which partner is proposed to take the lead.

Phase one: Confirmation (Dec - Feb 23 – Council led)	Council Executive Team approval of MOU and project brief – completed Dec 22 Council workshop and meeting for confirmation of specific budget, location and high level plan
Phase two: Research/Engagement/Co-design (Dec - Feb 23 – Trust led)	Information gathering Assessment of existing information Engagement with users and neighbours Early engagement/Co-design Initial Iwi engagement
Phase three: Testing pop-up play opportunities, through Pride of Place project (Mar - Apr 23 – Jointly led)	Following engagement/co-design - testing of different pop-up play opportunities to explore what works well
Phase four: Concept plans (May - Jun 23 Trust led)	Preparation of concept plans (3) based on early engagement/co-design and testing
Phase five: Council approval of concepts (July 23 Council led)	Wider Council staff and elected member approval of concepts prior to engagement
Phase six: Engagement on concepts (Aug - Sep 23 Jointly led Council administered Trust promoted)	Wide engagement with community on concepts
Phase seven: Design refinement (Oct - Nov 23 Trust led)	Confirm preferred design and costing, Trust, wider Council staff and Elected Members
Phase eight: Approval (Dec 23 Council led)	Formal approval by all parties to progress to next phase)
Phase nine: Fundraising - ongoing (May - Nov 23 Trust led)	Fundraising and grants
Phase ten: Procurement (Dec 23 – Jun 24 Council led)	Procurement
Phase eleven: Construction (Construction able to begin July 24)	Funding available Construction period

### **Mōrearea | Risk**

A full risk assessment will be completed as part of the project planning phase should agreement in principle be received.

### **Ngā Whiringa | Options**

Recommendation

- In principle, Council allocate up to \$\_\_\_\_\_ towards the Matamata Playground Co-design project from the already allocated \$3,000,000 of funding for Destination Playgrounds within the 2021-31 Long Term Plan in 2024/25.
- In principle, Council resolve that the Matamata Domain is the appropriate location for the Matamata Playground Co-design project.
- Council resolve to work on the Matamata Playground Co-design project in partnership with Matamata Futures in accordance with a Memorandum of Understanding.

#### Other options

- Council resolve to delay this work until budget is available in 2024/25. This option runs the risk of Matamata Futures no longer wanting to continue the project in partnership; which if progressed will offer numerous benefits to the wider community.

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

All related legislation and policies will be considered during the project planning phase.

### Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes

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

### Ngā take ā-lhinga | Consent issues

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

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

**Theme:** Healthy Communities

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

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

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

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

### Ngā Tāpiritanga | Attachments

There are no attachments for this report.

### Ngā waitohu | Signatories

Author(s)	Sandra Harris Placemaking and Governance Team Leader	
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Approved by	Susanne Kampshof <b>Asset Manager Strategy and Policy</b>	
	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	
	Manaia Te Wiata <b>Group Manager Business Support</b>	
	Don McLeod <b>Chief Executive Officer</b>	

## 7 Pūrongo me whakatau | Decision Reports

### 7.2 Te Aroha Spa Project

CM No.: 2681353

#### Rāpopotonga Matua | Executive Summary

A major project milestone was the completion of the Options Assessment work in August 2022 and the activities that flowed on from this. Importantly was the recommendation by the Project Governance Group to take forward Option 3 from the Options Assessment report. This has put the project on a pathway to raise capital to fund the development of a new spa and hot pool facility. To support this a number of site investigations are being conducted which are detailed in this report.

The project requires operational budget to fund its activities for the remainder of this financial year (Q3&4) and a detailed operational budget accompanies this report. Further budget details are set out in the 'Issues/Discussion' section of this report.

The project as currently programmed is scheduled to complete construction mid-2026. An overview of the project programme is included with this report (as an attachment). Assuming a level of success from the capital raising process, the project will require both capital and operational funding to progress the development. This is likely to be a matter for shareholders to work through and agree, which will emerge from the capital raising process. Potential budget provision and some of the mechanics are set out in the 'Issues/Discussion' section of this report.

#### Tūtohunga | Recommendation

That:

1. This report be received
2. Operational budget for the balance of the 2022/23 financial year of \$195,000 excluding GST be approved from appropriate reserves to cover the following items/activity relating to the Te Aroha Spa project:

Item/activity	Estimated cost \$ excl GST
Governance and management	150,000
Stakeholder engagement	5,000
Contingency for unforeseen	20,000
Planning consultant	5,000
Resource consent, geotechnical	5,000
*Domain Master Plan (Part 1)	10,000
TOTAL	195,000

\*Note: The Domain Master Plan is recommended by the PGG. As it hasn't been part of the spa project brief it hasn't previously had budget consideration.

3. Budget provision of \$100,000 for transaction related costs be made from appropriate reserves for the Te Aroha Spa project.

## **Horopaki | Background**

Based on community feedback, the 2019 Feasibility Study and 2020 Business case, Council allocated \$18.9m for the spa project into their 2021 LTP. The Project Governance Group (PGG) was formed in April 2021 with a key role to further investigate the potential of the project and oversee the project's progress and strategic direction. After an initial evaluation by the PGG a number of stage gate due diligence investigations were commissioned, key amongst these being geothermal water availability and an initial geotechnical investigation. From a study tour in 2021 the PGG then created a design principles and insights document to help shape a future development. Building on from that, the Options Assessment work was commissioned which Visitor Solutions spearheaded. The aim of this work was to provide the project with costed concept options to consider.

The Options Assessment report was workshopped with Council in September 2022 where Option 3 was the option recommended to take forward. This and the required operating budget to progress the project was adopted.

## **Ngā Take/Kōrerorero | Issues/Discussion**

### Capital Raising

Leading financial services firm Deloitte have been retained to run the capital raising process due to their historical involvement with the project providing financial analysis (Feasibility Study, Business Case and Options Assessment). The capital raising process requires an expert, independent 3<sup>rd</sup> party to run it given the potential size of the raise and multiple investor parties. A (narrow) range of possible grant funding options are being considered as part of capital raising which will be taken into account by Deloitte as they progress discussions with various potential investor parties. Deloitte have a Corporate Finance Partner in their Hamilton office who will be managing the capital raise process and is initiating this during the second half of January 2023, subject to contract signing.

Assuming a level of success from the capital raising process, the ownership/operating model for any new facility/business will emerge from this. At a yet to be determined point in time, Council will be approached by Deloitte for a discussion on their investment appetite.

### Operational Budget for Q3 and 4 of FY23/24

Accompanying this report is the detailed operating budget to take the project to the end of this financial year. The requested budget is \$222,500. The project's operating budget was originally provided for through a circa. \$1.1m allocation from the Reserve Fund in the 2020/21 financial year. Coming into the 2022/23 financial year, the project carried forward a surplus of circa \$600. Of this, circa. \$440k of budget was allocated for various work streams and running costs. Due to delays some of the work streams have not yet been completed but overall this budget will be underspent by circa. \$40k leaving a residual of circa \$200k (from the original \$600k). As there is a gap between this residual and the operational budget required we are seeking a top up of \$22,500 to meet the needs of the project.

Note: The budget position/availability is the best estimate based on available information. Due to staff shortages and changes it has not been possible to have regular system generated financial reports for the project.

### Other Budget Guidance



1. It is hard to predict exactly where things will land from the capital raising process and any complexities that may arise. Nevertheless, on the basis that a good level of success is achieved, Council should make budget provision for transaction costs that will be triggered at the conclusion of the process when a shareholding/ownership structure emerges:

- Transaction Documents/Term Sheet.

At the conclusion of the capital raising process, assuming a level of success, Council will likely be obliged to create a 'Term Sheet' and supporting documentation that sets out the deal structure and arrangements agreed between the shareholder parties. This could be a combination of legal and financial services and this could cost in the region of \$75k. In brief, the shareholders will reach agreement on how the overall transaction and other costs will be shared with such detail probably captured in the Term Sheet. It is also possible that a prospective shareholder could request further information arising from their due diligence processes during capital raising. This could require retaining legal, financial and/or other professional services.

Recommend a budget provision of \$100k in this financial year

## 2. Domain Master Plan

A master plan for the Domain is very important and is recommended by the Project Governance Group. A master plan will guide and describe how the Domain and the various attractions and experiences in there should work and interact for visitors and connect with the new spa/hot pool facility. Redefining access tracks would be part of this along with any recommended enhancements. A master plan is estimated to cost \$40k. This should be spread over 2 financial periods with \$10k in this financial year, the balance of \$30k in FY23/24. The master plan has not been part of the spa project's brief but is seen as most important and is therefore now being included in the project's budget

## 3. Design Phase

Assuming the development proceeds following the capital raise process, there will of course be the costs associated with initiating, designing and building the facility. How these costs (much of it probably capable of being capitalised) are shared will be a matter for shareholders to agree and document through shareholder agreements and the like. Over the 2023/24 financial year, as currently programmed, most of the project costs will be around design. The professional fees for the design work are estimated to be around \$2.3m through this period.

### Feasibility Study

The original Feasibility Study from 2019 identified the project as a catalyst project and this was carried through to the 2020 Business Case. The Feasibility [Study can be accessed using this link](#). It is worth recapping by looking at Page 40 where the core catalyst and flow on benefits are articulated. The purpose of the proposed development is to stimulate business growth and prosperity that in turn improves social cohesion, economic development and cultural outcomes for Te Aroha and the broader District/Region. At Page 46 the necessity and benefits of a precinct master plan are also articulated where the need for a Te Aroha Destination Management Plan has also subsequently been discussed.

### Site Investigations

A range of site investigations complimentary to the capital raising have been commissioned. Some of these arise from recommendations made in the Options Assessment report.

- **Geotechnical investigations**

Now we have a defined development area more in depth geotech. Investigations can be carried out. The activity is subject to a Resource Consent as we will be drilling in a kaitiaki zone. Consent application is in the process of being written up.

- **Ecology study**

To avoid delays in future, we are using the summer season to conduct targeted surveys of various fauna such as bats, lizards and birds. This work, starting in March, builds upon the earlier 'opportunities and constraints' ecology study all of which will be required for any resource consent for development. The information will be of value to Council in general.

- **Site survey**

This will provide accurate topography of the broader development area including contours, water courses/streams, significant vegetation and tracks. The work will be completed by early February.

### **Mōrearea | Risk**

Project risks are managed under a comprehensive risk management system in conjunction with MPDC's Risk Manager.

### **Ngā Whiringa | Options**

From the Options Assessment report, Option 3 was recommended to take forward and this was adopted subject to stage gates. Option 1 and 2 are set out in the options report but are considered to be suboptimal by comparison.

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

This project is being progressed as per the Long Term Plan 2021-2031.

### **Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes**

The spa project received public support going into the 2021 LTP process. Progressing the project is seen as consistent with the LTP. The views of interested/affected parties have been considered as the project has progressed, in particular with iwi, Heritage NZ and the local community. The project will continue to communicate with the community through the regular community updates in line with the project's Communication Plan. Iwi are closely involved with the project with two representatives on the Project Governance Group. Te Manawhenua forum receives regular updates at their meetings. The Project Manager provides periodic updates to Heritage NZ through meetings with their staff.

#### Meeting with Domain users, neighbours and business association

Council invited Domain users and neighbours to a meeting with the project team on 20 September 2022 to find out more about the progress that has been made and details from the Options

Assessment Report. A similar presentation was provided to the Te Aroha Business Association the following week.

From both of these engagements attendees signalled positive support for the project.

### Ngā take ā-lhinga | Consent issues

N/A

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

**Theme:** Economic and social development


**Community Outcome:** The project aligns with the Community Outcomes of Economic Opportunities and Vibrant Cultural Values set out in the 2021 Long Term Plan.

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

- Operational budget of \$222,500 for the balance of this financial year
- Budget provision for transaction costs of \$100,000 in this financial year

These items to be funded out of the Reserve Fund.

### Ngā Tāpiritanga | Attachments

A  Project Programme Summary - January 2023



B  Te Aroha Spa Development Project Financial Report YTD Dec 2022



C  Te Aroha Spa Development - Operating budget (revised) for Q3 and 4, 2023



### Ngā waitohu | Signatories

Author(s)	Graham Shortland <b>Project Manager - Te Aroha Spa Development</b>	
Approved by	Don McLeod <b>Chief Executive Officer</b>	

Project Programme Summary, January 2023

Task Name	Estimated Timing	Comments
<b>Site Investigations</b>		
Geotechnical	April 2023	Is subject to Resource Consent application timing
Ecology study	March 2023	
Site survey	February 2023	
<b>Capital Raising/Grant Funding</b>		
Capital raising process (including any grant funding)	January – May 2023	Assumes deal agreement, start subject to contract signing
<b>Community Consultation</b>		
Community consultation and feedback	May 2023	Placeholder, dependent on cap. raising and decision timing
<b>Domain Master Plan</b>		
Procure consultant, plan developed and submitted	March 2023 – August 2023	
<b>Procure Initial Design Team Consultants</b>		
Procurement process, sign off and appointment	June to September 2023	
<b>Design</b>		
Concept Design to Detailed Design (including resource and building consent)	September 2023 – February 2025	
<b>Procure Main Contractor (for construction)</b>	April 2024 – April 2025	
<b>Construction</b>	April 2025 – June 2026	

**Te Aroha Spa Development Project Expenditure Report YTD December 2022**

Budget Item	Spend YTD December 2022	Original Budget Value	Variance against budget \$
Water investigations (alternative fresh water supply)	NIL	10,000	- 10,000
Greenstone Group (specialist development advice)	936	10,000	- 9064
Cultural Impact Assessment	NIL	25,000	- 25,000
Incidental tools & resources	NIL	5,000	- 5,000
*Governance and management	141,560	98,000	+ 43,560
Contingency for Options Assessment follow on	NIL	20,000	- 20,000
Options Assessment work package	69,534	80,000	- 10,466
Ecology Study	8,670	9,000	- 330
<b>Totals</b>	<b>220,700</b>	<b>257,000</b>	<b>- 36,300</b>

\*Variance against budget

- Additional meetings and activity relating to Options Assessment report
- Some costs from prior FY in 2022/23 due to timing and cut offs

Te Aroha Spa Project  
Budget Forecast For Q3 and 4 FY 22/23

Item/activity	Estimated cost \$ excl gst
Governance and management	150,000
Stakeholder engagement	5,000
Contingency for unforeseen	20,000
Planning consultant	5,000
Resource consent, geotechnical	5,000
*Domain Master Plan (Part 1)	10,000
Total	195,000

\*Note: The Domain Master Plan is recommended by the PGG.  
As it hasn't been part of the spa project brief it hasn't previously had  
budget consideration but it is recommended to proceed.

7 Pūrongo me whakatau | Decision Reports

## 7.3 Council Submission to Sale and Supply of Alcohol (Community Participation) Amendment Bill

CM No.: 2681439

### Rāpopotonga Matua | Executive Summary

The Sale and Supply of Alcohol Act 2012 (the Act) empowers local authorities to have a Local Alcohol Policy (LAP). The purpose of a LAP is to encourage the responsible sale, supply and consumption of alcohol in its geographical area. An LAP allows councils to tailor some of the national provisions under the Act such as minimum trading hours, to suit local circumstances.

In December 2022, the government introduced the Sale and Supply of Alcohol (Community Participation) Amendment Bill (Bill). The Bill intends to increase community participation in alcohol decision-making by making targeted changes to the alcohol licensing process provided for in the Act, including removing the ability to appeal a LAP.

Matamata-Piako District Council (Council) has the opportunity to make a submission to this Bill, with submissions due to the Justice Committee on 12 February 2023. A draft submission prepared by staff is attached.

Full details of the Bill can be found on the New Zealand Parliament website:

[https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL\\_130167/sale-and-supply-of-alcohol-community-participation-amendment](https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_130167/sale-and-supply-of-alcohol-community-participation-amendment)

### Tūtohunga | Recommendation

That:

1. The information be received.
2. Council approves the draft submission on the Sale and Supply of Alcohol (Community Participation) Amendment Bill.
3. The Mayor be authorised to sign the submission on behalf of Council.

### Horopaki | Background

#### Sale and Supply of Alcohol Act 2012

The Act aims to improve New Zealand's drinking culture and reduce the harm caused by excessive drinking.

*The object of this Act is that—*

(1)

- (a) *the sale, supply, and consumption of alcohol should be undertaken safely and responsibly; and*
- (b) *the harm caused by the excessive or inappropriate consumption of alcohol should be minimised.*

(2)

*For the purposes of subsection (1), the harm caused by the excessive or inappropriate consumption of alcohol includes—*



- (a) *any crime, damage, death, disease, disorderly behaviour, illness, or injury, directly or indirectly caused, or directly or indirectly contributed to, by the excessive or inappropriate consumption of alcohol; and*
- (b) *any harm to society generally or the community, directly or indirectly caused, or directly or indirectly contributed to, by any crime, damage, death, disease, disorderly behaviour, illness, or injury of a kind described in paragraph (a).*

#### Local Alcohol Policies

The Act enabled councils to develop LAPs in consultation with their local communities. LAPs provide an opportunity to tailor some of the national provisions under the Act including where licensed premises can be located (including distance from community facilities), maximum trading hours, and whether further licences should be issued in the district or part of the district.

The idea was that alcohol regulation would reflect the unique character and circumstances of the local area. However many council's LAPs have been appealed, resulting in a costly and time-consuming process and some councils have been unable to bring their policies into force.

When a LAP is in place, the District Licensing Committee (DLC) are required to have regard to the policy when making decisions about alcohol licensing applications.

#### Sale and Supply of Alcohol (Community Participation) Amendment Bill

The Bill aims to improve communities' ability to influence alcohol regulation in their area by making targeted changes to the alcohol licensing process as set out in the Act. The Bill received its first reading on 13 December 2022 and has been referred to the Justice Committee whereby submissions are now called for. The proposed changes are:

##### **1. How licensing hearings are run**

- Require licensing committees to establish appropriate procedures to consider applications and must ensure that those procedures:
  - Avoid unnecessary formality; and
  - Do not permit parties or their representatives to question other parties or witness of other parties; and
  - Do not permit cross-examination.

##### **2. Removal of the right to appeal**

- The Bill proposes to remove the requirement for territorial authorities to produce a provisional LAP meaning parties no longer have the right of appeal. This allows for territorial authorities to adopt LAPs more easily and apply them to licensing decisions.

##### **3. Strengthening of LAP Relating to Licence Renewals**

- DLCs will be able to decline to renew a licence if the licence would be inconsistent with conditions as stated in accordance with section 77(1)(a) to (d) including location or licence density in the relevant LAP. This would improve the effectiveness of LAPs so that renewal decisions are more likely to reflect communities' preferences for alcohol licensing.

#### Current LAP Review

Council is currently reviewing its LAP with consultation planned for the draft LAP in March/April 2023. Following a hearing, whereby Council considers all submissions received, the LAP is modified as appropriate and a provisional LAP is publically advertised, calling for appeals.

Depending on appeals, the LAP can then be brought into force by Council resolution. Council's timeline may be affected by this Bill and its progression through the House of Representatives.

## **Ngā Take | Issues / Kōrerorero | Discussion**

### Council's Draft Submission

The main points of Council's draft submission are as follows:

- Council is supportive of the general approach and purpose of the Bill to improve communities' ability to influence how alcohol is sold and supplied in their area.
- Supportive of the proposal to remove the ability to appeal LAPs, noting this is consistent with the other policy work that we do, including our Gambling Venue Policy which does not have an appeals process.
- Noted Council's experience of the appeals process following the development of its draft LAP in 2013 which resulted in a modified policy and proved to be time consuming and costly.
- Supportive of allowing a wider group of people to be able to object to licensing applications, however have noted concerns regarding workload and cost implications for the DLC. As the number of objector's increases, further time to dedicate to the hearing process would be required. Therefore, Council has queried the ability for cost-recovery.
- Council noted the current review of its LAP how the transitional provisions of the Bill may affect this review and the ability to introduce policy measures to reflect the preferences of our community.

### Taituarā's Submission

Taituarā are strongly supportive of the Bill and welcome the changes, particularly the proposal to remove the ability to appeal LAPs and for licence renewals to align with LAPs. Taituarā note that the Act has not been working as intended and the ability for councils to reduce trading hours and control the proliferation of licensed premises has been difficult due to the appeals process.

They note proposed changes to the hearings procedures will create an even playing field for the community and support them to be involved in the process, as per the original intent of the Act.

Taituarā propose the following additional changes:

- That it be mandatory for all new licences to align with a LAP;
- That the Act include Te Tiriti as a fundamental consideration for decision-makers;
- That there be a requirement for applicants to apply for their licences in good faith;
- For all DLC members to be trained via a nationally approved provider as is currently required for RMA Commissioners;
- That there be a wider review of the licensing process including DLC fees.

Taituarā recommend the following:

1. That DLCs may decline or impose conditions on licence renewal where a relevant LAP is in place;
2. That section 105 be updated to make it mandatory for all new licences to align with LAPs;
3. That any person may object to a licence application, whether an individual or group;
4. That the Act include te tiriti as a fundamental consideration for decision-makers;
5. That trade competitors can only object if they are directly affected and does not relate to trade competition;
6. That a requirement be added to section 295 for applicants to apply for their licences in good faith;
7. That hearings:
  - a) be less formal, and
  - b) without cross examination.
8. For DLCs:
  - a) to limit excessively repetitive evidence

- b) to have discretion on whether briefs of evidence be recorded, read, limited to relevance or read to a time limit
  - c) to request further information or expert report, and for dissemination
  - d) to strike out of evidence or briefs that are frivolous, vexatious, irrelevant, an abuse of process, not independent or expert, or are offensive.
9. For all DLC members to be trained via a nationally approved provider as is currently required for RMA Commissioners.
10. That there be a wider review of the Act to review other licensing processes including DLC fees.
11. That pre-hearing:
- a) The applicant to provide briefs 10 working days before the hearing
  - b) Briefs of expert evidence provided 5 working days before the hearing
  - c) That all briefs received prior to the hearing be provided to all parties prior to the hearing.
12. For DLCs to develop procedures because it provides transparency and consistency for applicants and objectors.

### **Mōrearea | Risk**

If the legislation proceeds as currently planned, the DLC may face resourcing issues in the opening up of licensing hearings.

### **Ngā Whiringa | Options**

Council could choose to support Taituarā's submission or submit its own (with or without amendments to the attached draft).

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

The Significance and Engagement Policy has been reviewed and it has been determined that the decision for Council to submit to the proposed Bill has low significance, however the Bill itself may be of higher significance. Council could choose to share its submission/support of Taituarā's submission with the public and in advance of the engagement period for the LAP.

Council's LAP is currently being reviewed. According to the transitional provisions of the Bill, Council may pause the review and choose to implement any changes following the introduction of the legislation. This may allow Council to introduce measures that reflect the views of our community without the potential financial burden of the appeal process.

### **Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes**

Whilst timeframes for the progression of this Bill through the House are driven by the central government legislative process, submissions are due to the Justice Committee on 12 February 2023 with their report due on 13 June 2023.

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

**Theme:** Healthy Communities


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

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

There is no financial cost, apart from staff time in preparing this submission. However, the draft submission has raised the issue of potential resourcing implications for the DLC. If the Bill is

passed into law as proposed, and the legislation allows anyone to object to a licence application, this will lead to further time being required to dedicate to the licensing process, both from DLC members and Council staff.

### Ngā Tāpiritanga | Attachments

 [DRAFT\\_Submission to Justice Committee\\_Sale and Supply of Alcohol \(Community Participation\) Amendment Bill](#)

### Ngā waitohu | Signatories

Author(s)	Laura Hopkins <b>Policy Advisor</b>	
Approved by	Niall Baker <b>Policy Team Leader</b>	
	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	



Our Ref:  
Enquiries to: Laura Hopkins

8 February 2023

Committee Secretariat  
Justice Committee  
New Zealand Parliament  
Parliament Buildings  
Wellington

By email: [justice.submissions@parliament.govt.nz](mailto:justice.submissions@parliament.govt.nz)

Dear Committee Secretariat,

**RE: Sale and Supply of Alcohol (Community Participation) Amendment Bill  
(Bill) – Matamata-Piako District Council (Council) Submission**

Thank you for the opportunity to provide comment on the above Bill.

We note that the Bill aims to improve communities' ability to influence alcohol regulation in their area by making targeted changes to the alcohol licensing process provided for in the Sale and Supply of Alcohol Act 2012 (the Act).

Council is supportive of the general approach and purpose of the Bill to improve communities' ability to influence how alcohol is sold and supplied in their area. Local Alcohol Policies (LAP) are important for the community - aspects such as the further issuing of licences, opening hours and one-way door policies (amongst others) can have a significant impact on local areas and have consequences for the amenity and good order of our neighbourhoods.

We note a key feature of the Act as stated when it was introduced in 2012, was to increase the ability of communities to have a say about alcohol licensing in their local area. It is clear (from our experience and that of many community and advocacy groups, and other councils) that this aim has not been fully realised.

The intent of the Bill to improve communities' ability to influence alcohol regulation in their local area reflects the direction Council is moving in; to work with and empower our communities to influence Council's policymaking to better reflect their preferences and needs. The results in policies that work for us all.

Council first resolved to develop a LAP in February 2013, with the final policy adopted in January 2017. The policy was modified following appeals and it took some time to work through that process with the Alcohol Regulatory & Licensing Authority. We note that other council's have been unable to implement a LAP, including Hamilton City Council and Auckland City Council among others. In light of this, Council is supportive

35 Kenrick Street - PO Box 266 - Te Aroha 3342 - [www.mpd.c.govt.nz](http://www.mpd.c.govt.nz)  
Morrinsville & Te Aroha 07 884 0060 - Matamata 07 881 90 50

of the proposal to remove the ability for parties to appeal provisional LAPs. This is consistent with other policy work that we do including our Gambling Venue Policy, which does not have an appeals process.

Council is comfortable that there are safeguards and transparency built into our policy process, however we need to continue to work towards meaningful engagement with our community and ensure careful consideration of all views in light of the proposal to remove the appeal process.

The Bill also proposes to allow anyone to be able to object to a licence application. Currently, the Act states that a person may object to the granting of a licence only if they have a '...greater interest in the application for the licence than the public generally'. This has resulted in some members of the community not feeling heard or engaged in the process. Allowing anyone to object would improve the accessibility of hearings to the public and increase community engagement in the licensing process.

Whilst Council is supportive of opening up the process, we note that it is likely that this would have workload and cost implications for the District Licensing Committee. It is anticipated that there would be further time and administration needed to dedicate to appeal hearings as the number of objectors increases. Council would be interested to hear if there are any avenues available for cost-recovery.

We are currently in the process of reviewing our LAP to determine if any changes need to be made to further support the health and wellbeing of our people and to do our bit, as part of the community, to reduce alcohol-related harm. Therefore, we are keen to understand how the transitional provisions may affect this review.

Council will continue to monitor the progress of the Bill, and look forward to reviewing other submissions to understand the differing perspectives on the proposed changes.

Thank you to the Committee for your consideration of this submission.

Yours sincerely,

Mayor Adrienne Wilcock





7 Pūrongo me whakatau | Decision Reports

## 7.4 Waikato Local Authority Shared Services (Trading as Co-Lab) Changes to Constitution for Approval

CM No.: 2682567

### Rāpopotonga Matua | Executive Summary

In 2021, Waikato Local Authority Shared Services Ltd T/A Co-Lab (Co-Lab) received an expression of interest from Western Bay of Plenty District Council (WBOP) to become a shareholder.

At its meeting on 23 February 2022, Matamata-Piako District Council's (Council) Corporate and Operations Committee resolved to approve the Co-Lab Board's resolution to offer shareholding to WBOP under specified terms.

This matter had now been negotiated and finalised, with Taupō District Council having sold its ordinary share in Co-Lab to WBOP. Council are now asked to approve proposed changes to the constitution of Co-Lab. Co-Lab's constitution may be changed by special resolution (approved by 75% or more), of the shareholders.



## Tūtohunga | Recommendation

That:

1. The information be received.
2. Council approves the following proposed changes to the constitution of Waikato Local Authority Shared Services Limited (T/A Co-Lab):
  - a) Change in the groupings of councils who appoint a director to the Board of Co-Lab.

“That the constitution be changed so that clause 13.1 reads to include:

**13.1 Number of directors**

...

e. one may be appointed by the Thames-Coromandel, Hauraki, Western Bay of Plenty and Matamata-Piako District Councils;

f. one may be appointed by the Ōtorohanga, Waitomo, South Waikato, and Rotorua District Councils; and ...”
  - b) Change in who may be appointed a director of Co-Lab.

“That the constitution be changed so that clause 13.2 reads to include:

**13.2 Extended definition**

...

c. a Council Representative Director cannot be an elected member of a shareholder....”
  - c) Change in who approves director remuneration.

“That the constitution be changed so that clause 16.2 reads:

**16.2 Directors remuneration**

The payment of remuneration or the provision of other benefits by the company to a director for services as a director or in any other capacity may only be authorised in accordance with section 161 of the Act.”
  - d) Other minor changes.

“That the constitution be changed to reflect the various other minor amendments as indicated in the attached ‘tracked changes’ version of the constitution.”

The Constitution be amended to reflect Taupō District Council having sold its ordinary share in Co-Lab to Western Bay of Plenty District Council.

## **Horopaki | Background**

### About Co-Lab

Co-Lab is a Council Controlled Organisation (CCO) jointly owned by 12 Councils in the Waikato and Bay of Plenty regions.

Co-Lab's key purpose is to drive collaboration between councils, to improve customer service and performance, and to reduce costs. They aim to introduce efficiency and effectiveness gains and champion the benefits that collaboration can bring including a reduction of duplication and waste, and to promote best practice across councils.

Co-Lab's has two fundamental roles: the first is to act as an ideas laboratory; working with partner councils and industry to identify opportunities for councils to collaborate, improving how councils operate and engage with their communities. Following identification and prioritisation of ideas, Co-Lab work together with partner councils to investigate the opportunity and co-design the business case for change. Some of these business cases will lead to opportunities for a shared service arrangement.

The second key role is to provide services to councils including water quality data, asset management, and procurement support services. Projects are identified and delivered according to the following desired outcomes agreed by all stakeholders:

- Reduce council costs, or improve performance without increasing cost;
- Improve the experiences councils' communities have with the councils;
- Increase central government's investment into, and engagement with, Waikato councils.

Co-Lab's vision is to help partner councils maximise the value that they provide to their communities. They aspire to be innovative and constantly think about how things can be improved, either by reducing costs or duplication of effort, promoting best practice and ultimately improving the experience of councils' customers.

### Western Bay of Plenty District Council Shareholder Offer

In 2021, Co-Lab received an expression of interest from WBOP to become a shareholder. At its November 2021 meeting, the Co-Lab Board recommended to its shareholders that WBOP become a shareholder under specified terms. The terms agreed were:

- WBOP is issued with one (1) ordinary share in the company, for a consideration of \$1,000, noting that the share will remain uncalled;
- WBOP signs a deed acceding to the Shareholders Agreement dated 5 October 2005;
- The constitution of the company is amended to reflect that WBOP will, together with Thames-Coromandel, Hauraki and Matamata-Piako District Councils, be entitled to appoint one representative to the company's Board;
- WBOP will contribute at the rate of 100% to Company Management and Support costs, the Opportunity Development Fund and any other requests for funding in line with the formula previously agreed between the current shareholders; and
- WBOP will contribute a proportionate share to the "value" of opportunities currently under development.

Council approved this offer at its Corporate and Operations Committee meeting on 23 February 2022. The remaining shareholders also approved the offer and this allowed the Co-Lab Board and Chief Executive to:

- Approach WBOP to establish whether they were willing to accept the offer as approved by shareholders; and
- If so, take the necessary actions to achieve the outcomes noted above.

Following shareholder approval, Taupō District Council sold its ordinary share in Co-Lab to WBOP. This means that the company constitution needs to be updated to reflect this change. At the same time, Co-Lab wish to take the opportunity to make minor updates to the company constitution and recommended at its Board meeting in September 2022 that these changes be recommended to the shareholders for approval. The Board seek a separate resolution for each of the changes from shareholders. This is so that, in the event a particular change does not receive the required shareholder support, this does not prevent the other recommended changes being made (assuming they are themselves supported).

### **Ngā Take/Kōrerorero | Issues/Discussion**

Co-Lab's constitution may be changed by special resolution (approved by 75% or more), of the shareholders. The following changes to the constitution are proposed:

#### *Change in the groupings of councils who appoint a director to the Board of Co-Lab (clause 13.1)*

The change in shareholding requires that this clause be updated to reflect the removal of Taupō District Council and the introduction of Western Bay of Plenty District Council.

Note that Mr Don McLeod is currently the appointed director for the Eastern Waikato area (Matamata-Piako, Thanes-Coromandel, Hauraki and Western Bay of Plenty Councils). This appointment was made in 2022 and is for a three-year term.

#### *Change in who may be appointed a director of Co-Lab (clause 13.2)*

This is a new clause that reflects the always held intent that elected members could not become a director of Co-Lab. Upon review it became apparent that, while intended, this had not been formalised correctly within the previous constitution.

#### *Change in who approves director remuneration (clause 16.2)*

This change is intended to allow the Council Representative Directors to increase the Board Chair remuneration. The change is sought principally as a matter of expediency and efficiency. Currently, some councils require that any change in the remuneration of a Director of a CCO be approved by the Councillors. However, in the case of Co-Lab, the Independent Chair is the only director who is remunerated. This has led to Councillor approval being required albeit that council's share of any increase is less than \$1,000 (in some cases, half this amount).

Council does not have a board appointments and remuneration policy, however this is currently under development.

It is a requirement under the Companies Act 1993 that approval of a change to remuneration requires a majority vote of all the directors on the board. All directors who vote in favour of a remuneration arrangement must also sign a certificate stating that the arrangement is fair and stating reasonable grounds for that opinion. There is also a requirement to enter remuneration arrangements in the directors' interest register.

## Mōrearea | Risk

No risks associated with this decision have been identified.

## Ngā Whiringa | Options

The Council has two options:

1. Council approves the suggested changes to the constitution of Co-Lab;

Or

2. Council does not approve the suggested changes to the constitution of Co-Lab.

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

In accordance with Council's Significance and Engagement Policy, staff determine that this decision is of low significance. Therefore no consultation/communication is required.

Co-Lab's constitution may be changed by special resolution (approved by 75% or more), of the shareholders.

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

**Theme:** Connected Infrastructure

**Community Outcome:** Infrastructure and services are fit for purpose and affordable, now and into the future.

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

Councils pay an annual levy which is calculated according to their size. In addition to this, services are funded via a user pays basis allowing councils to opt in and out of projects.

Contributions are determined using the following allocation basis:

- 25% fixed cost across all councils; and,
- 75% allocated in accordance with the size of the council (having regard to budgeted operating expenditure).

The contribution made by MPDC in the year to date at the time of writing this report was \$384,229.98. The expected spend for FY 2022/23 is \$589,993. A summary of costs is detailed below and includes contributions to the Regional Asset Technical Accord (RATA). RATA aims to enable effective strategic asset planning to support investment decision-making in the Waikato region and to support the delivery of safe and sustainable services to communities.

Item	Total to be invoiced for the year
<b>Company Management</b>	
Company Management Member Charges	\$38,017
N3 on-charge*	\$2,800
Insurance Brokerage on-charge*	\$9,279
LAPP on-charge*	
Infometrics on-charge*	\$8,869
RITS	\$2,956
<b>Working Parties   Projects</b>	

Working party Member Charges	\$7,216
Opportunity development pool	\$15,594
Shifting Landscapes Phase 2	\$7,133
L&D Shared Service Implementation	\$9,036
<b>IT</b>	
IT member charges	\$850
Collaboration Portal	\$1,200
<b>Geospatial Services</b>	
Waikato Data Portal	\$2,000
<b>Energy Management</b>	
EM Council Contribution	\$13,567
<b>RATA</b>	
RATA Member Charges	\$118,279
IDS License Fee	\$13,787
Data Collection	\$118,278
<b>Waters Collaboration</b>	
Waters collaboration member charges	\$62,964
<b>WRTM</b>	
WRTM Member Charges	\$14,544
<b>Waikato Building Consent Group</b>	
WBCG Member Charges	\$27,642
<b>Mayoral Forum</b>	
Mayoral Forum Meeting Expenses	\$455
<b>Co-Lab Learning</b>	
Co-Lab Learning Annual Service Fee	\$33,131
<b>Co-Lab Water Services</b>	
Shared Water Services Costs	\$82,397
<b>TOTAL</b>	<b>\$589,993</b>

\* these are on-charges of invoices received so actual amount may differ slightly.

## Ngā Tāpiritanga | Attachments

A↓. Co-Lab Company Constitution Tracked Changed Amendments 2022



B↓. Co-Lab Memo Constitutional Change to Shareholders



## Ngā waitohu | Signatories

Author(s)	Laura Hopkins <b>Policy Advisor</b>	
Approved by	Niall Baker <b>Policy Team Leader</b>	
	Erin Bates <b>Strategic Partnerships and Governance</b>	

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	<b>Manager</b>	
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CONSTITUTION OF WAIKATO LOCAL AUTHORITY SHARED SERVICES  
LIMITED  
(T/a Co-Lab)

July 2019July 2022



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## CONSTITUTION OF WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED (T/a Co-Lab)

### 1 Interpretation

#### 1.1 Definitions

In this Constitution, unless the context otherwise requires:

"Act" means the Companies Act 1993;

"Authority" means a local authority as provided for in the Local Government Act 2002;

"Company" means Waikato Local Authority Shared Services Limited (trading as Co-Lab);

"Constitution" means this constitution as altered from time to time;

#### 1.2 Construction

In this Constitution, unless the context otherwise requires:

- a. The headings appear as a matter of convenience and shall not affect the construction of this Constitution
- b. In the absence of an express indication to the contrary, references to sections, clauses, schedules and paragraphs are to sections, clauses, schedules and paragraphs of this Constitution
- c. A reference to any statute, statutory regulations or other statutory instrument includes the statute, statutory regulations or statutory instrument as from time to time amended or re-enacted or substituted
- d. The singular includes the plural and vice versa and one gender includes the other gender
- e. The words "written" and "writing" include facsimile communications and any other means of communication resulting in permanent visible reproduction
- f. Words or expressions defined in the Act have the same meaning in this Constitution.

### 2 Constitution and the Companies Act

The Company, the Board, each Director and each Shareholder have the rights, powers, duties and obligations set out in the Act except to the extent they are negated or modified by this Constitution.

### 3 Capacity of company

#### 3.1 Capacity

Subject to the Act and any other enactment and the general law the company shall have the capacity both within and outside New Zealand to carry on or undertake the following businesses or activities, to do the following acts and enter into the following transactions and no others:

- a. To provide shared information collection, processing, administration, management and associated services to local authorities.

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- b. To provide such services to other parties where the board is satisfied that the provision of such services benefits the ability of the company to enhance the efficiency and effectiveness of provision of those services by or on behalf of local authorities.
- c. Generally to do all acts, matters and things that the board considers necessary or conducive to further the undertaking of the transactions envisaged by paragraphs a. and b.
- d. The Company has no power to carry on any other business or activity

### 3.2 Rights, powers and privileges

For the purposes of Clause 2 above and subject to the Act and any other enactment and the general law the company shall have full rights, powers and privileges.

## 4 Change of name of Company

An application to change the name of the company may be made by a director of the company only if the application has been approved by an ordinary resolution of the shareholders.

## 5 Shares

### 5.1 Shareholders' rights and powers

No person apart from a shareholder shall be an entitled person in relation to the company.

### 5.2 Powers of shareholders

Except as required by the Act all powers reserved to shareholders may be exercised by an ordinary resolution.

### 5.3 Initial Shares

The company is to issue at registration the following classes of shares:

- a. 13 Ordinary Shares for a consideration of \$1,000 per share with the rights conferred on shareholders by the Act to the following Authorities:

Authority	Number of Shares
Waikato Regional Council	1
Franklin District Council	1
Hamilton City Council	1
Hauraki District Council	1
Matamata Piako District Council	1
Otorohanga District Council	1
Rotorua District Council	1

Authority	Number of Shares
South Waikato District Council	1
Taupo District Council	1
Thames Coromandel District Council	1
Waikato District Council	1
Waipa District Council	1
Waitomo District Council	1

- b. Service Shares with the general rights set out in 5.4 below, and in the numbers, value and special rights for each Class of Service Shares as set out in Schedule 1.

## 5.4 General Rights of Service Shares

The rights conferred by section 36(1) of the Act on holders of shares in the company are altered as set out below:

- Each Class of Service Shares entitle the holders to participate in certain services to be provided by the company
- No Class of Service Shares shall have any right to share in the distribution of the surplus assets of the company except to the extent provided for in Schedule 1 or in accordance with the terms of issue of those shares pursuant to Clause 6.
- Except as provided in section 117 of the Act and Clause 6.1 below no Class of Service Shares shall have any voting rights.

## 6 Issuing of further shares

### 6.1 Issuing of shares

The board may only issue further ordinary shares in the company if the issue has been approved by a special resolution of the ordinary shareholders.

The board may only issue other classes of shares in the company

- if the issue has been approved by a special resolution of the ordinary shareholders, and
- if the further shares are an issue of an existing Class of Service Shares, and the issue has been approved by a special resolution of the existing Class of Service Shareholders.

The provisions of this clause apply whether or not the shares to be issued rank in priority to, equally with, or after existing shares of that class.

### 6.2 Pre-emptive rights on issue of shares

The pre-emptive rights on the issue of shares contained in section 45 of the Act are hereby negated. Subject to the provisions of Clause 6.1, the board is expressly permitted to issue further shares at any time ranking as to voting or distribution rights or both equally with, or in priority to, shares already issued by the company.



### 6.3 Redeemable Shares

Where the issue has been approved by a special resolution of the shareholders (and, where necessary, that special resolution is deemed to change this constitution) the board may issue shares which are redeemable:

- a. at the option of the company; or
- b. at the option of the holder of the share; or
- c. at a specified date;

for a consideration that is:

- a. specified; or
- b. to be calculated by reference to a formula; or
- c. required to be fixed by a suitably qualified person who is not associated with or interested in the company.

## 7 Calls on Shares

### 7.1 Board may make calls

The board may from time to time make such calls as it thinks fit upon the shareholders in respect of any moneys unpaid on their shares and not by the conditions of issue thereof made payable at a fixed time or times, and each shareholder shall, subject to receiving at least 10 working days' written notice specifying the time or times and place of payment, pay to the company at the time or times and place so specified the amount called. A call may be revoked or postponed as the board may determine.

### 7.2 Timing of calls

A call may be made payable at such times and in such amount as the board may decide.

### 7.3 Liability of joint holders

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

### 7.4 Interest

If a sum called in respect of a share is not paid before or on the time appointed for payment thereof, the shareholder from which the sum is due shall pay interest on that sum from the time appointed for payment thereof to the time of actual payment at such rate not exceeding ten percent (10%) per annum as the board may determine, but the board shall be at liberty to waive payment of that interest wholly or in part.

### 7.5 Instalments

Any sum which by the terms of issue of a share becomes payable on issue or at any fixed time shall for all purposes be deemed to be a call duly made and payable at the time at which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions hereof relating to payment of interest and expenses, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call duly made and notified.

## **7.6 Differentiation as to amounts**

The board may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

## **7.7 Notice of default**

If any shareholder liable therefor fails to pay any call or any instalment thereof at the time appointed for payment thereof, the board may at any time thereafter serve notice on such shareholder requiring payment of the moneys unpaid together with any interest which may have accrued.

## **7.8 Final payment date**

The notice shall name a further day (not earlier than the expiry of 10 working days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment on or before the time appointed the shares in respect of which the money was owing will be liable to be forfeited.

## **7.9 Forfeiture**

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may be forfeited at any time before the required payment has been made by a resolution of the board to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

## **7.10 Cancellation of forfeited shares**

A forfeited share shall be acquired by the company and immediately cancelled in accordance with section 58 of the Act.

## **7.11 Cessation of shareholding**

A shareholder whose share has been forfeited shall cease to be a shareholder in respect of the forfeited share, but shall, nevertheless, remain liable to pay to the company all money which, at the time of forfeiture, was payable by such authority to the company in respect of the share, but that liability shall cease if and when the company receives payment in full of all such money in respect of the share.

## **7.12 Evidence of forfeiture**

A statutory declaration in writing declaring that the declarant is a director of the company and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against anyone claiming to be entitled to the share.

# **8 TRANSFER OF SHARES**

## **8.1 Freedom to transfer is qualified**

Every change in the ownership of shares in the company shall be subject to the following limitations and restrictions:



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- a. No share shall be sold or transferred by any shareholder that is an Authority unless and until the rights of pre-emption hereinafter conferred have been exhausted
- b. No share shall be sold or transferred by any shareholder that is not an Authority unless the Board has approved the party that is to be the holder of the share.

## 8.2 Pre-emptive provisions applying to Authority Shareholders

- a. Transfer notice and fair price

Every Authority shareholder wanting to sell or transfer any share or shares shall give notice in writing to the board of the desire to sell or transfer such share or shares. If such notice includes several shares it shall not operate as if it were a separate notice in respect of each such share, and the proposing transferor shall be under no obligation to sell or transfer only some of the shares specified in such notice. Such notice shall be irrevocable and shall be deemed to appoint the board the proposing transferor's agent to sell such shares in one or more lots to any Authority shareholder or shareholders of the company holding that class of shares at a price to be agreed upon between the party giving such notice and the board or, failing agreement between them within 20 working days of the board receiving such notice, at a fair price to be determined on the application of either party by a person to be nominated by the chairperson for the time being of the Waikato Bay of Plenty District Law Society. Such person, when nominated, and in certifying the sum which in that person's opinion is the fair price for the share, shall be considered to be acting as an expert and not as an arbitrator and accordingly the Arbitration Act 1996 and any subsequent modifications or re-enactment thereof shall not apply.

- b. Offer to shareholders and consequent sale

Upon the price for such shares being agreed on or determined as aforesaid (as the case may be), the board shall forthwith give notice to each of the Authority shareholders holding that class of shares (other than the Authority wanting to sell or transfer such shares) stating the number and price of such shares and inviting each of the Authority shareholders to whom the notice is given to state in writing within two months from the date of the notice whether such shareholder is willing to purchase any and, if so, what maximum number of such shares. At the expiry of two months from the date of the notice the board shall apportion such shares among the Authority shareholders (if more than one) who have expressed a desire to purchase the same and as far as may be possible pro rata according to the number of shares already held by them respectively, or if there be only one such shareholder, the whole of such shares shall be sold to that Authority shareholder, provided, however, that no shareholder shall be obliged to take more than the maximum number of shares stated in that shareholder's response to such notice. Upon such apportionment being made or such one shareholder notifying such shareholder's willingness to purchase, as the case may be, the party wanting to sell or transfer such share or shares shall be bound, upon payment of the said price, to transfer such share or shares to the respective shareholders or shareholder who have or has agreed to purchase the same and, in default thereof, the board may receive and give a good discharge for the purchase money on behalf of the party wanting to sell and enter the name of the purchasers or purchaser in the share register as holder of such share or shares so purchased.

- c. No Sale of shares not taken by shareholders

In the event of all of such shares not being sold under the preceding subclause the party wanting to sell or transfer shall have no other rights to sell the shares not so

sold and shall continue to hold them. Such provision shall not prohibit the company acquiring those shares in accordance of Clause 10.

### 8.3 Reconstruction transactions

Any share may be transferred by an Authority shareholder to any Authority which is to substantially undertake the activities of the shareholder, and the restrictions contained in the preceding clauses hereof shall not apply to any transfer authorised by this subclause but every such transfer shall nevertheless be subject to the provisions of clause 8.4 hereof.

Any share may be transferred by a shareholder to a company which is in relation to such shareholder a holding company or a subsidiary company as defined in section 5 of the Act, and the restrictions contained in clause 8.1 hereof shall not apply to any transfer authorised by this subclause but every such transfer shall nevertheless be subject to the provisions of clause 8.4 hereof.

### 8.4 Board's right to refuse registration

Subject to compliance with the provisions of section 84 of the Act, the board may refuse or delay the registration of any transfer of any share to any Authority whether an existing shareholder or not:

- a. Required by law: if so required by law;
- b. Imposition of liability: if registration would impose on the transferee a liability to the company and the transferee has not signed the transfer;
- c. Failure to pay: if a holder of any such share has failed to pay on due date any amount payable thereon either in terms of the issue thereof or in accordance with the constitution (including any call made thereon);
- d. More than one class: if the transfer is in respect of more than one class of shares;
- e. Proof of ownership: if the transfer is not accompanied by such proof, as the board reasonably requires, of the right of the transferor to make the transfer;
- f. Pre-emptive rights: if the pre-emptive provisions contained in clause 8 hereof have not been complied with;
- g. Contrary to interests of company: if the board acting in good faith decides in its sole discretion that registration of the transfer would not be in the best interests of the company and/or any of its shareholders.

## 9 Distributions

### 9.1 Authorising of distributions

Subject to the requirements of the Act the board may authorise a distribution by the company only where that distribution has been approved by an ordinary resolution of the shareholders.

### 9.2 Shares in lieu of dividends

Subject to the requirements of the Act the board may issue shares wholly or partly in lieu of a proposed dividend or proposed future dividends upon terms that have been previously approved by a special resolution of the shareholders.

### 9.3 Deduction of unpaid calls

The board may deduct from any dividend payable to any shareholder any sums of money, if any, presently payable by such shareholder to the company on account of calls or otherwise in relation to the shares on which such dividends are payable.

#### **9.4 Payments by electronic funds transfer**

Any dividend, interest or other money payable in respect of shares shall be paid by electronic funds transfer to the registered account of the holder.

#### **9.5 No interest**

No dividend shall bear interest against the company.

#### **9.6 Unclaimed dividends**

All dividends unclaimed for one year after having been authorised may be invested or otherwise made use of by the board for the benefit of the company until claimed, and all dividends unclaimed for five years after having been declared may be forfeited by the board for the benefit of the company. The board may, however, annul any such forfeiture and agree to pay a claimant who produces evidence of entitlement to the board's satisfaction of the amount due to such claimant unless in the opinion of the board such payment would embarrass the company.

#### **9.7 Dividends on shares not fully paid up**

Subject to the rights of shareholders, if any, entitled to shares with special rights as to dividends, the board in authorising a distribution will determine the basis on which dividends will be paid on shares not fully paid up and may

- a. Either pay the dividend in full, or
- b. Pay the dividend in proportion to the amount paid to the company in satisfaction of the liability of the shareholder to the company in respect of the shares either under the constitution of the company or pursuant to the terms of issue of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for these purposes as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date that share shall rank for dividend accordingly.

#### **10 Acquisition of company's own shares**

For the purposes of sections 59 and 60(1)(b)(ii) of the Act, the company is hereby expressly authorised to purchase or otherwise acquire shares issued by it and, for the purpose of section 67A of the Act, the company is permitted to hold its own shares.

#### **11 Management of company**

##### **11.1 Management**

The business and affairs of the company must be managed by, or under the direction or supervision of, the board.

## 11.2 Powers

The board has all the powers necessary for managing, and for directing and supervising the management of the business and affairs of the company.

## 11.3 Resolutions not binding

Resolutions of shareholders under section 109 of the Act relating to the management of the company are not binding on the board.

## 12 Proceedings at meetings of shareholders

### 12.1 First Schedule modified

The First Schedule to the Act is modified as hereinafter provided.

### 12.2 Chairperson

Subclause 1(2) of the First Schedule to the Act is deleted and replaced with the following:

"1(2) If no chairperson of the board has been elected, or if at any meeting of shareholders the chairperson of the board is not present within 15 minutes of the time appointed for the commencement of the meeting, the directors present shall elect one of their number to be chairperson of the meeting. If at any meeting no director is willing to act as chairperson, or if no director is present within 15 minutes of the time appointed for holding the meeting, the shareholders present shall choose one of their number to be chairperson of the meeting."

### 12.3 Notice of meetings

Clause 2 of the First Schedule to the Act is amended by deleting subclause (4) and replacing it with the following:

"(4) The chairperson may, and if so directed by the meeting shall, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting."

### 12.4 Voting

Clause 5 of the First Schedule to the Act is amended as follows by deleting subclause (7) and replacing it with the following:

"(7) In the case of an equality of votes, whether voting is by voice or show of hands or poll, the chairperson of the meeting shall be entitled to a second or casting vote."



## 12.5 Proxies

Clause 6 of the First Schedule to the Act is amended by deleting subclause (5) and replacing it with the following:

“(10) The instrument appointing a proxy and a power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within New Zealand as is specified for that purpose in the notice convening the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall be treated as invalid.”

## 12.6 Postal votes

Clause 7 of the First Schedule to the Act providing for postal votes is deleted.

## 12.7 Resolutions in lieu of meeting

A shareholders' resolution in lieu of meeting authorised by section 122 of the Act may consist of several documents in like form, each signed by one or more shareholders. A facsimile of any such signed resolution shall be as valid and effectual as the original signed document with effect from completion of its transmission.

## 13 Appointment and removal of directors

### 13.1 Number of directors

The board shall consist of not less than three (3) and not more than eight (8) directors, of whom:

- a. one shall be appointed by unanimous resolution of the Council Representative Directors, and must be Independent;
- b. one may be appointed by Waikato Regional Council;
- c. one may be appointed by Hamilton City Council;
- d. one may be appointed by the Waikato and Waipa District Councils;
- e. one may be appointed by the Thames-Coromandel, Hauraki, ~~Western Bay of Plenty~~ and Matamata-Piako District Councils;
- f. one may be appointed by the Ōtorohanga, Waitomo, South Waikato, ~~and Taupo and~~ Rotorua District Councils; and
- g. [the appointments under 13.1 b. – f. above, collectively being referred to as the Council Representative Directors]
- h. any other appointments shall be by special resolution of the shareholders.

### 13.2 Extended definition

For the purposes of rule 13.1:

- a. a reference to a named Authority shall include any person or body for the time being entitled to and holding the shares of that Authority in accordance with this Constitution; ~~and~~
- b. ~~a~~ director is Independent if that person is not an executive or an elected member of a shareholder and does not have any direct or indirect relationship that could reasonably materially influence that person's decisions in relation to the Company; ~~and~~

~~b-c. a Council Representative Director cannot be an elected member of a shareholder.~~

### 13.3 Appointment and removal

A body or persons that is or are entitled to appoint a director pursuant to clause 13.1 may remove any director so appointed and appoint a replacement director.

### 13.4 Manner of appointment and removal

Any such appointment or removal shall be in writing and served on the company and signed by the body or persons entitled to make the appointment or removal.

### 13.5 Default appointment

Where any vacancy on the board has the effect of reducing the number of directors below 3, and if any body or persons entitled to appoint a replacement director fails to do so within two (2) months of the date on which the number of directors fell below 3, the board may appoint a replacement director or directors to bring the number of directors to 3. Any such appointment shall only be made at a board meeting of which 14 days' notice in writing has been given to each director and the body or person concerned, and approved by a majority of the directors present at the meeting. A director appointed under this clause will be removed upon a person next exercising their right of appointment under clause 13.1. If there is more than one director appointed under this clause on the board at any time, but less than that number are being appointed under clause 13.1, each director appointed under this clause will be replaced pursuant to the preceding sentence alphabetically.

### 13.6 Tenure of office

- 13.6.1: Other than as set out under 13.6.2, all Board terms are three years. Any Board member may be reappointed for a further term but can serve only a maximum of six years consecutively.
- 13.6.2: To ensure continuity of knowledge, Board terms will initially be staggered such that:
- on 30 June 2020, two of those persons appointed under 13.1 b. – f. shall resign (to occur in alphabetical order with reference to surname); and
  - on 30 June 2021, a further two of those persons appointed under 13.1 b. – f. (not being those who resigned on 30 June 2020) shall resign (to occur in alphabetical order with reference to surname); and
  - on 30 June 2022, the person appointed under 13.1 a. and the remaining person appointed under 13.1 b. – f., who has not previously resigned under a. or b. of this clause, shall resign.
- 13.6.3: Notwithstanding anything else in this clause, each director of the company can only hold office until:
- Removal: removal in accordance with the constitution; or
  - Vacation of office: vacation of office pursuant to section 157 of the Act; or
  - Insolvency: an arrangement or composition with creditors made by him or her; or
  - Absence from meetings: vacation of office resulting ipso facto from being absent without permission of the board from 3 consecutive meetings of the board; or
  - Resignation: written notice of resignation to the address for service of the company.

## **14 Special provisions relating to directors**

### **14.1 Delegation**

Subject to section 130(1) of the Act, there are no restrictions on the ability of the board to delegate its powers other than the powers set out in the Second Schedule to the Act.

### **14.2 Professional directors**

Any director may act by himself or herself or his or her firm in a professional capacity for the company, and a director or firm shall be entitled to remuneration for professional services as if he or she were not a director provided that nothing herein contained shall authorise a director or his or her firm to act as auditor to the company.

### **14.3 Interests of joint venture company**

For the purposes of section 131(4) of the Act each director of the company is, when exercising powers or performing duties as director in connection with the carrying out of the joint venture, hereby expressly permitted to act in a manner which he or she believes is in the best interests of the shareholder or shareholders which appointed the director, even though it may not be in the best interests of the company.

### **14.4 Interested directors**

Subject to complying with section 140 of the Act and as provided in section 144 of the Act there are no restrictions on a director of the company who is interested in a transaction entered into or to be entered into by the company voting on a matter relating to the transaction, attending a meeting of directors at which a matter relating to the transaction arises and being included among the directors present at the meeting for the purpose of a quorum, signing a document relating to the transaction on behalf of the company and doing any other thing in his or her capacity as a director in relation to the transaction as if the director were not interested in the transaction.

## **15 Proceedings of directors**

### **15.1 Proceedings of the board**

The provisions of the Third Schedule to the Act are deleted and replaced as hereinafter provided.

### **15.2 Regulation of meetings, quorum and convening**

The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of business by the board may be fixed by the board and, unless so fixed, shall be the majority of the board. A director may, and an employee at the request of a director shall, at any time, by any means of communication, summon a meeting of the board. It shall not be necessary to give notice of a meeting of the board to any director for the time being absent from New Zealand.



### 15.3 Voting

Questions arising at any meeting of the board shall be decided by a majority of votes. In case of an equality of votes the chairperson shall have a second or casting vote, provided that, where two directors form a quorum and only two directors entitled to vote are present at a meeting, the chairperson of such meeting shall not have a second or casting vote. No business shall be transacted when a quorum is not present.

### 15.4 Vacancies

The continuing directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number necessary for a quorum, the continuing directors or director may act only for the purpose of increasing the number of directors to the number necessary for a quorum or for the purpose of summoning a special meeting of the company.

### 15.5 Chairperson

The chairperson of the board is the person appointed pursuant to clause 13.1(a). However, if no person is appointed under that clause or if at any meeting the chairperson is not present within five minutes after the time appointed for the meeting, the directors present may choose one of their number to be chairperson of the meeting.

### 15.6 Resolution in writing

A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the board, shall be as valid and effectual as if it had been passed at a meeting of the board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more directors. A facsimile of any such signed resolution shall be as valid and effectual as the original signed document with effect from completion of its transmission.

### 15.7 Method of meeting

A meeting of the board may be held either-

- a. by a number of the directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or
- b. by means of audio, or audio and visual, communication by which all directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

### 15.8 Minutes

The board shall ensure that minutes are kept of all proceedings at meetings of the directors.

## 16 Directors' indemnity and remuneration

### 16.1 Indemnity authorised

The company is hereby expressly authorised to indemnify and/or insure any director or employee against liability for acts or omissions and/or costs incurred in connection with claims relating thereto of the type specifically contemplated by subsections (3), (4) and (5) of section 162 of the Act to the maximum extent permitted by those subsections.

## 16.2 Directors' remuneration

~~Subject to section 161 of the Act, the~~ payment of remuneration or the provision of other benefits by the company to a director for services as a director or in any other capacity may only be authorised ~~by ordinary resolution of shareholders~~ the Council Representative Directors in accordance with section 161 of the Act.

## 17 Notices

### 17.1 Service

A notice may be served by the company upon any director or shareholder either personally or by posting it by fast post in a prepaid envelope or package addressed to such director or shareholder at such person's last known address or by delivery to a document exchange or by facsimile to the facsimile telephone number of such director or shareholder.

### 17.2 Time of service by facsimile

A notice served by facsimile shall be deemed to have been served on the day following completion of transmission thereof.

### 17.3 Time of service by post

A notice sent by post or delivered to a document exchange shall be deemed to have been served:

#### (a) In New Zealand

in the case of a last known address in New Zealand, at the expiration of 48 hours after the envelope or package containing the same was duly posted or delivered in New Zealand; and

#### (b) Outside New Zealand

in the case of a last known address outside New Zealand, at the expiration of 7 days after the envelope or wrapper containing the same was duly posted by fast post in New Zealand.

### 17.4 Proof of service

In proving service by post or delivery to a document exchange it shall be sufficient to prove that the envelope or package containing the notice was properly addressed and posted or delivered with all attached postal or delivery charges paid. In proving service by facsimile, it shall be sufficient to prove that the document was properly addressed and sent by facsimile.

### 17.5 Service on joint holders

A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder first named in the share register in respect of the share.

## 18 Liquidation

### 18.1 Distribution of surplus assets

Subject to the terms of issue of any shares in the company and to clause 18.2, upon the liquidation of the company the assets, if any, remaining after payment of the debts and liabilities of the company and the costs of winding-up ("the surplus assets") shall be distributed among the shareholders in proportion to their shareholding provided however that the holders of shares not fully paid up shall only receive a proportionate share of their entitlement being an amount which is in proportion to the amount paid to the company in satisfaction of the liability of the shareholder to the company in respect of the shares either under the constitution of the company or pursuant to the terms of issue of the shares.

### 18.2 Distribution in specie

Upon a liquidation of the company, the liquidator, with the sanction of an ordinary resolution of shareholders and any other sanction required by law, may divide amongst the shareholders in kind the whole or any part of the assets of the company (whether they consist of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the shareholders or different classes of shareholder. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks fit, but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

## 19 Removal from the New Zealand Register

In the event that:

#### (a) Cessation of business

the company has ceased to carry on business, has discharged in full its liabilities to all its known creditors, and has distributed its surplus assets in accordance with its constitution and the Act; or

#### (b) No surplus assets

the company has no surplus assets after paying its debts in full or in part, and no creditor has applied to the Court under section 241 of the Act for an order putting the company into liquidation;

the board may in the prescribed form request the Registrar to remove the company from the New Zealand Register.

## Schedule 1: Initial Classes of Service Shares

### 1 Shared Valuation Data Service (SVDS) Shares

#### 1.1 Purpose

The initial shareholders have agreed to share the costs of development and ongoing maintenance of a shared valuation data service (SVDS), and have previously advanced monies to the SVDS business unit within Waikato Regional Council to enable that. On issue of these shares the board will apply the proceeds to purchase of the Service from Waikato Regional Council enabling repayment of those advances.

#### 1.2 Number of Shares to be Issued

1,607,001 shares for a consideration of \$1 per share are to be issued to the following parties:

Authority	Number of Shares
Waikato Regional Council	803,500
Franklin District Council	106,674
Hamilton City Council	220,514
Hauraki District Council	40,215
Matamata Piako District Council	56,380
Rotorua District Council	126,703
South Waikato District Council	42,571
Thames Coromandel District Council	108,015
Waipa District Council	78,748
Waitomo District Council	23,681

#### 1.3 Rights and Obligations

The following rights and obligations are hereby conferred on each shared valuation database service shareholder

- They shall be entitled to services provided by the SVDS on terms that reflect their investment in development of the SVDS in accordance with an agreement for services to be executed between the SVDS shareholders and the company, which shall also contain limitations on SVDS shareholders' ability to sell valuation data in competition with the company.
- The SVDS service shares shall have no right to any share in the distribution of the surplus assets of the company.
- Except as provided in Clause 6.1 and section 117 of the Act the SVDS service shares shall have no voting rights.

## 2 Valuation Data Hosting Service (VDHS) Shares

### 2.1 Purpose

The initial shareholders have agreed to participate in specification of the requirements of the SVDS but have elected not to become initial SVDS Shareholders, but have agreed to make available their valuation data to the SVDS. In consideration of that the VDHS will be provided at no cost to them and options are hereby granted in respect of future conversion of VDHS shares to SVDS shares.

### 2.2 Number of Shares and Options to be Issued

3 shares for a consideration of \$0.10 each are to be issued to the following parties, with the following attached options to apply for SVDS shares:

Authority	Number of Shares	Number of SVDS Options
Otorohanga District Council	1	16,325
Taupo District Council	1	71,705
Waikato District Council	1	65,776

### 2.3 Rights

The following rights are hereby conferred on each VDHS shareholder:

- a. They shall be entitled to hosting of their valuation data by the SVDS at no cost and to a share of net income derived by the Company from sale of that data in accordance with an agreement for services to be executed between the VDHS shareholders and the company.
- b. At any time up to 30 November 2005, any VDHS shareholder may elect to apply for conversion of their SVDS Options into SVDS shares for a consideration of \$1.00 per SVDS share.
- c. At any time after 1 December 2005, any VDHS shareholder may elect to apply for conversion of their SVDS Options into SVDS shares for a consideration to be set by the Board but will not be less than \$1.25 per SVDS share, increasing by a further 10 per cent per annum cumulatively at 1 December each year.
- d. At the sole discretion of the Board, they may decline to accept conversion for up to 90 days if the Board considers such conversion may adversely affect any expectations of SVDS shareholders, but after that time must accept the request for conversion.
- e. The SVDS Options are not transferable.
- f. The VDHS service shares shall have no right to dividends or to any share in the distribution of the surplus assets of the company.
- g. Except as provided in section 117 of the Act the VDHS service shares shall have no voting rights.



### 3 Waikato Region Aerial Photography Service (WRAPS) Shares

#### 3.1 Purpose

The initial shareholders have agreed to share the costs and returns from the procurement and sale of aerial photography taken over the Waikato.

#### 3.2 Number of Shares to be Issued

447,852 shares for a consideration of \$1 per share are to be issued to the following parties:

Authority	Number of Shares
Waikato Regional Council (incl. DOC & Waikato Uni.)	287,872
Franklin District Council	3,284
Thames Coromandel District Council	6,476
Waikato District Council	9,376
Hauraki District Council	2,864
Hamilton City Council	79,152
Matamata Piako District Council	4,708
South Waikato District Council	4,916
Waipa District Council	3,780
Otorohanga District Council	5,716
Rotorua District Council	7,516
Waitomo District Council	10,540
Taupo District Council	21,652

#### 3.3 Rights and Obligations

The following rights and obligations are hereby conferred on each WRAPS service shareholder

- They shall be entitled to services provided by the WRAPS service on terms that reflect their investment in development of WRAPS in accordance with an agreement for services to be executed between the WRAPS shareholders and the company, which shall also contain limitations on WRAPS shareholders' ability to sell aerial photography data in competition with the company.
- The WRAPS service shares shall have no right to any share in the distribution of the surplus assets of the company.
- Except as provided in Clause 6.1 and section 117 of the Act the WRAPS service shares shall have no voting rights.



To	Shareholders of Waikato Local Authority Shared Services Limited trading as Co-Lab (Co-Lab)
From	Kelvin French, Chief Executive, Co-Lab
Date	21 November 2022
Report Title	Resolution to change the constitution of Co-Lab

#### PURPOSE

To seek resolutions of the shareholders approving proposed changes to the constitution of Co-Lab.

#### RECOMMENDATIONS

That shareholders make each of the following resolutions:

**Resolution 1: Change in the groupings of councils who appoint a director to the Board of Co-Lab.**

“That the constitution be changed so that clause 13.1 reads to include:

13.1 Number of directors

...

- e. one may be appointed by the Thames-Coromandel, Hauraki, Western Bay of Plenty and Matamata-Piako District Councils;
- f. one may be appointed by the Ōtorohanga, Waitomo, South Waikato, and Rotorua District Councils; and ...”

**Resolution 2: Change in who may be appointed a director of Co-Lab.**

“That the constitution be changed so that clause 13.2 reads to include:

13.2 Extended definition

...

- c. a Council Representative Director cannot be an elected member of a shareholder.
- ...”





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**Resolution 3: Change in who approves director remuneration.**

“That the constitution be changed so that clause 16.2 reads:

**16.2 Directors remuneration**

The payment of remuneration or the provision of other benefits by the company to a director for services as a director or in any other capacity may only be authorised in accordance with section 161 of the Act.”

**Resolution 4: Other minor changes.**

“That the constitution be changed to reflect the various other minor amendments as indicated in the attached ‘tracked changes’ version of the constitution.”

**BACKGROUND**

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In September, Taupo District Council sold its ordinary share in the company to Western Bay of Plenty District Council. This event necessitated a change in the company constitution to update how director appointments could be made by the revised shareholder group.

At the same time, Co-Lab wished to update the constitution in two other respects and at its meeting in September, the Co-Lab Board agreed that the changes to the constitution noted in this memo should be recommended to the shareholders for approval.

**DISCUSSION**

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The substantive changes to the constitution are set out below. We seek a separate resolution on each of the changes from shareholders. We ask this so that, in the event a particular change does not receive the required shareholder support, this does not preclude the other recommended changes being made (assuming they are themselves supported).

**Change in the groupings of councils who appoint a director to the Board of Co-Lab (clause 13.1)**

The change in shareholding requires that this clause be updated to reflect the removal of Taupo District Council and the introduction of Western Bay of Plenty District Council.



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#### **Change in who may be appointed a director of Co-Lab (clause 13.2)**

This is a new clause that reflects the always held intent that elected members could not become a director of Co-Lab. Upon review it became apparent that, while intended, this had not been formalised correctly within the previous constitution.

#### **Change in who approves director remuneration (clause 16.2)**

This change is intended to allow the Council Representative Directors to increase the Board Chair remuneration.

The change is sought principally as a matter of expediency and efficiency. Currently, some councils require that any change in the remuneration of a Director of a Council Controlled Organisation be approved by the Councillors. However, in the case of Co-Lab, the Independent Chair is the only director who is remunerated. This has led to Councillor approval being required albeit that council's share of any increase is less than \$1,000 (in some cases, half this amount).

It is a requirement under the Companies Act 1993 that approval of a change to remuneration requires a majority vote of all the directors on the board. All directors who vote in favour of a remuneration arrangement must also sign a certificate stating that the arrangement is fair and stating reasonable grounds for that opinion. There is also a requirement to enter remuneration arrangements in the directors' interest register.

Note that Co-Lab's constitution may be changed by special resolution (approved by 75% or more), of the shareholders.

8 Ngā Pūrongo Whakamārama | Information Reports

## 8.1 Staff Long Service Presentation

CM No.: 2682680

### Rāpopotonga Matua | Executive Summary

Tania Scott to be presented with a Long Service Award in recognition of 30 years' service to Matamata-Piako District Council.

### Tūtohunga | Recommendation

That:

1. The information be received.

### Ngā Tāpiritanga | Attachments

There are no attachments for this report.

### Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins <b>Governance Support Officer</b>	
Approved by	Sandra Harris <b>Placemaking and Governance Team Leader</b>	
	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	

8 Ngā Pūrongo Whakamārama | Information Reports

## 8.2 Overview of new solid waste kerbside collection contract

CM No.: 2680312

### Rāpopotonga Matua | Executive Summary

The purpose of this paper is to update Council on the new kerbside waste collections services, due to commence 1 September 2023.

At a full council meeting on 14 September 2022 the MPDC contract was awarded to Waste Management New Zealand Limited (WMNZL) (CM 2630895). The award to WMNZL followed a robust tender evaluation process and will mean a change in the services delivered, and to the contractor, for the first time in 10-years.

- It includes the introduction of new services (food waste collections) and shift from bags to collect refuse to 120 litre wheelie-bins.
- Refuse collection will be funded through a targeted rate and not through the purchase of bags, and the cost will shift to the property and the cost will appear in property rates.
- The targeted rate for refuse and recycling will be applied to Private Roads, Lanes, Right of Ways, and Multi-unit developments not currently serviced for the first time.
- The collection days will shift to Tuesday, Wednesday and Thursday to avoid Monday and Friday when the majority of Public Holidays fall.
- In addition, we will cease collections in the CBD area/business zone and this is covered in detail below.

These changes were approved at the Corporate and Operations Committee (COC) meeting 24 August 2022 (CM 2615217)

Council made the following decisions in relation to the new Kerbside Collection Contract:

- To service Private Roads and Multi-Unit Developments (MUD's)
- To cease kerbside collections in the Central Business District
- To provide a food only (FO) kerbside collection (for eligible households)

This report includes further details of the new services and the decisions previously made to inform elected members as we start to initiate mobilisation of these new services with our community.

## Tūtohunga | Recommendation

That:

1. The information be received

### Horopaki | Background

In 2022 Matamata Piako District Council (MPDC), Hauraki District Council (HDC) and Thames Coromandel District Council (TCDC) commissioned consultants Morrison Low to undertake a shared tender for a new solid waste kerbside collection contract.

The current contract is a shared services contract (MPDC/HDC/TCDC) and is due to expire 31 August 2023. The current service provider is Smart Environmental Ltd for all three councils, and while we tendered together the new contract will be an individual contract for each council rather than the current joint Eastern Waikato Shared Services Contract

At a full council meeting on 14 September 2022 the MPDC contract was awarded to Waste Management New Zealand Limited (WMNZL) (CM 2630895).

The award to WMNZL followed a robust tender evaluation process and will mean a change in the services delivered and to the contractor for the first time in 10-years. It will also include the introduction of new services (food waste collections) and shift from bags to collect refuse to 120 litre wheelie-bins.

### Ngā Take/Kōrerorero | Issues/Discussion

The new contract provides for a new weekly food waste collection, a dedicated collection fleet operating out of WMNZL Hamilton and, a MPDC contract manager. WMNZL met council's specific requirements for NO collections on Monday's or Friday's, not collecting consolidated refuse accepted at our Refuse Transfer Stations (RTS) during opening hours, and not bulking kerbside collected waste at the RTS which is current practice. WMNZL offered best value for money and ranked highest in non-price attributes.

### New Services

The new services are as per the table below:

1x 25 litre food scrap bin	Weekly
1x 120 litre refuse wheelie-bin	Fortnightly
1x 240 recycling litre wheelie-bin	Fortnightly
2x 45 litre glass crates	Fortnightly

These services meet the National Standards for kerbside collection implemented nationwide at contract renewal.

### Food Scrap Collection comment

The food scrap collection meets the Ministry for the Environment (MfE) requirement under the Emissions Reduction Plan (ERP) to reduce greenhouse gas emissions. Districts with food

processing facilities within 150km are required to implement these services before 2025, or at contract renewal. MPDC District has a minimum of three facilities within our district capable of providing this service with others in the planning stage. It is MfE's expectation MPDC, HDC and TCDC will introduce some form of organic collection. They are monitoring progress and offering funding to assist the introduction of these services, covered further below.

### **Refuse Collection comment**

The shift to wheelie-bins for refuse and fortnightly collections will be the largest change. MPDC official bags are 45 litres so for the household that only puts out one bag weekly this will be an increase in the volume as 120 litres is equivalent to 2.66 bags. In addition, a new food scrap bin will be provided for each household. A formal audit required for our Waste Management and Waste Minimisation Plan (WMMP) found close to 30% of waste found in refuse bags was food scraps that could be diverted from landfill for composting.

Refuse collection will be funded through a targeted rate and not through the purchase of bags, and the cost will shift to the property and the cost will appear in property rates.

### **CBD Collections**

A review of these services was included in the Waste Management and Minimisation Plan (WMMP) item 6 (CM 2463460). The findings were taken to the Corporate and Operations Committee (COC) meeting 24 August 2022 (CM 2615217).

Serving the business area presents a number of difficulties including:

- Collections were causing traffic delays in the main streets while stopping to collect bins
- With a shift to a second wheelie-bin and truck this is expected to increase
- Our services are limited; some businesses required fewer collections and others more
- Collection vehicles are a standard size and not always able to service some areas due to size
- Bins had to be left out overnight as they were often collected before business had opened
- Some CBD bins were highly contaminated with non-household packaging
- It is thought business should cover their own cost for waste disposal and not the general ratepayer

Instead, like many other council districts, our business community will need to contract directly with commercial service providers. An example is New Plymouth District Council:

<https://www.npdc.govt.nz/zero-waste/commercial-rubbish-and-recycling/commercial-waste-collection/>

This change will need to be managed very carefully. A plan to contact, and work with business, is under development and will include face-to-face meetings with our business sector. This will include providing information for alternative commercial waste collectors.

### **Eligibility Details**

The targeted rate for refuse and recycling will be applied to Private Roads, Lanes, Right of Ways, and Multi-unit developments not currently serviced for the first time.

Those on a Private Road or MUD will be advised under the provision included in the Local Government Act 1974; Section 348 that Council will not accept responsibility for general wear and tear to roads and access ways.

Right of Ways and Lanes will need to take their bins to the nearest public roadway for collection if trucks cannot safely turn in these areas.

There will be no ability to OPT-Out of the service for standard households in the nominated collection area and the targeted rate will apply whether the service is used or not. This is similar to the approach taken by other councils and a link to Hamilton City site verifies this: [Can I opt out of the new service? - FAQs | Fight the Landfill](#)

These changes were approved at the Corporate and Operations Committee (COC) meeting 24 August 2022 (CM 2615217)

Council made the following decisions in relation to the new Kerbside Collection Contract:

- To service Private Roads and Multi-Unit Developments (MUD's)
- To cease kerbside collections in the Central Business District
- To provide a food only (FO) kerbside collection (for eligible households)

### **Collection Days**

The collection days will shift to Tuesday, Wednesday and Thursday to avoid Monday and Friday when the majority of Public Holidays fall. This will save internal resources and costs, advertising, messaging etc., and reduce confusion for residents.

Collection days for Matamata and Morrinsville townships will change. Waihou and Waitoa will be collected on the same day as Te Aroha and this will be a change for these two areas.

<b>Township</b>	<b>Collection day</b>
Matamata	Tuesday
Morrinsville	Wednesday
Te Aroha, including Waihou and Waitoa	Thursday

### **Mōrearea | Risk**

Attached is an initial risk assessment. This will continue to be updated as part of the mobilisation plan.

The largest risk from a community perspective is the business sector will be unhappy CBD services are withdrawn. Also, ensuring the change in collection days is clearly notified.

### **Ngā Whiringa | Options**

Covered elsewhere in this document.

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

The proposal is consistent with the Long Term Plan, the Waste Management and Minimisation Plan 2021-2027, and the Annual Plan.



## Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes

A full communication plan is under development that includes all internal and external stakeholders. This plan will sit under the Project Plan 232 being finalised with internal MPDC teams and WMNZL and includes timelines.

Initial engagement will focus on our business communities to outline the proposed changes and allow time for them to make alternative arrangements.

## Ngā take ā-lhinga | Consent issues

There are no consent issues relevant to this contract

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

Rubbish and Recycling contributes to the following Community outcomes			
	<b>Connected Infrastructure</b>	Infrastructure and services are fit for purpose and affordable, now and in the future. Quality infrastructure is provided to support community wellbeing	✓ ✓
	<b>Healthy Communities</b>	Our community is safe, healthy and connected	✓
	<b>Environmental Sustainability</b>	We support environmentally friendly practices and technologies	✓

**Community Outcome:**

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

### CAPEX

The Annual Plan 2022/23 budget provided for CAPEX of \$530k for the supply of refuse and food waste bins. Based on 9,500 households. The RFP was based on 10,500 households to allow for growth.

The CAPEX required to purchase new bins is \$792,960 a difference of \$262k.

The shortfall is due to a number of factors including an increase in resin prices over the previous three years. There has also been an increase in the number of households serviced due to development.

The Ministry for the Environment (MfE) opened a fund for Territorial Authorities in October 2022 called the Emissions Reduction Fund (ERF).

This fund will provide financial support for the purchase of equipment, and potentially some other costs associated with the implementation of a food waste collection. The aim of this fund is to decrease greenhouse gas emissions from organic waste.

An application to this fund has been lodged and we are in discussions with HDC and TCDC to see if there are any aspects we can collaborate on regarding communications. This may increase the funding from MfE and is still under discussion.

If the new food waste bins only are funded the total we could receive would be \$150,000, which would reduce the shortfall on CAPEX 2023/24 to approximately \$112k.


Budgets under development have provided for CAPEX requirements.

### Summary

This complex and high profile project will affect our community as well as a large number of MPDC business units. To provide confidence I have included a number of links in this document for those that want more detail to support the decision making process.

We will require your support and feedback as we start engaging with our community.

### Ngā Tāpiritanga | Attachments

A.  Solid Waste Briefing Paper



B.  Risk Register Kerbside Collection Contract



C.  Solid Waste Workshop 2 September 2020 (*Under Separate Cover*)

D.  Waste Management and Minimisation Plan (WMMP) (*Under Separate Cover*)

### Ngā waitohu | Signatories

Author(s)	Louisa Palmer <b>Solid Waste Lead</b>	
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Approved by	Fiona Vessey <b>Group Manager Service Delivery</b>	
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## Solid Waste Briefing Paper to incoming Elected Officials

### Executive Summary

The Solid Waste activity is undergoing the most significant changes in 10-years. There are two activities, which will shape future services over the next 12-36 month period.

1. The implementation of a new kerbside collection contract in 2023
2. Ministry for the Environment (MfE) Work Programme

In August 2022, our new contract kerbside collection contract was awarded to Waste Management New Zealand Ltd (WMNZL) to commence 1 September 2023. There will be some major changes including changing collection days, for some, and introducing a kerbside food-scrap collection to eligible households, the same service as our neighbours in Hamilton, Tauranga and Western Bay of Plenty.

The introduction of the new contract is a significant piece of work that will involve a large number of business units across council including our communications team, customer services team, finance team, IT team to name a few.

Driven by New Zealand's first Emissions Reduction Plan (ERP), and the need to reduce emissions the waste sector is seeing change happen at a rapid pace. MfE has announced dedicated funding for selected projects to assist Territorial Authorities (TA's) transition and this provides us with opportunities to apply for funding and assistance. We have been maintaining dialogue with Ministry officials to ensure any changes we make align with the new strategy for waste currently under review. Also with the proposed merging of the Waste Minimisation Act 2008 and the Litter Act 1979.

The best way we can reduce costs to our ratepayers is to increase waste minimisation services by diverting waste sent to landfill and avoiding the associated increases in cost.

This paper presents an overview of the changes we are facing, and, opportunities that could arise.

### Levies on Waste

Two costs we cannot avoid are the Waste to landfill levy and the ETS levy.

The waste to landfill levy has been increasing at a rate of \$10 a tonne since July 2021 but is set to jump \$20 per tonne in July 2023 to \$50 per tonne. The ETS levy is also set to increase. These two levies combined currently represent 59% of our monthly cost of disposal of waste to landfill. Both are set to rise and are costs we cannot avoid.

### Waste to Landfill Levy

- The Waste Levy is calculated at the disposal point (landfill).
- Levy funds are managed by the Ministry for the Environment (MfE)
- Funds are hypothecated
- Must be spent as per our Waste Management and Minimisation Plan (WMMP)
- MPDC receive 50% of the total funds collected nationally based on population

- Currently we receive approximately \$260,000 per annum

The actual allocation to Territorial Authorities is under review, including

- the ongoing level of funding to TA's given the increasing levy
- how funds may be spent
- how TA expenditure is audited

#### ETS Levy

- The ETS Levy payment is calculated when waste enters landfill
- As part of Budget 2021, the Government announced it would be hypothecating the revenues from the ETS toward emissions reduction programmes for the first time.<sup>1</sup>
- This will provide opportunities for MPDC business units to seek funding for climate related initiatives.

Our new ETS levy rate will be confirmed when we complete a joint tender for this service with our neighbours, Thames Coromandel and Hauraki District Councils as each landfill has a different ETS rate applied based on their landfill gas capture rate.

#### New Kerbside Collection Contract

At the 14 September 2022 Council meeting our new kerbside collection contract was formally awarded to Waste Management NZ Ltd (WAMNZL) for a period of 10-years commencing 1 September 2023.

The contract is for kerbside collections only and does not include the operation of our three Refuse Transfer Stations (RTS). An Options paper for our RTS will be prepared early 2023 for consideration.

#### Services Overview

The new kerbside collection contract represents the biggest change in 10-years, as the new services are quite different. We will shift from a user pays bag collection to a rates-funded fortnightly refuse collection.

Services will include:

1. Weekly collection of a 25-litre food scrap bin (new)
  2. Fortnightly collection of a 120 litre wheelie bin for waste (change)
  3. Fortnightly collection of 240-litre wheelie bin for recycling bin and glass crates (status quo)
- Kerbside collection services will be a targeted rate for eligible households and residents will no longer need to purchase bags.
  - Collection services to our Central Business Districts (CBD) will cease and businesses will need to contract services with a commercial provider directly.
  - Critically refuse collection will shift from a weekly to a fortnightly collection.

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<sup>1</sup> [Budget allowances and the Climate Emergency Response Fund - Budget 2022 - 19 May 2022](#)

These are big changes for our ratepayers and residents. A comprehensive and reiterative communications plan will support these changes.

#### **Ministry for the Environment (MfE) Work Programme<sup>2</sup>**

Over the previous 24-month period, MfE has consulted on a range of issues, all of which will have, an impact on the way we manage our waste in the future. MPDC Council team members have been actively involved in these consultations and have submitted collaboratively with our neighbouring councils in the Waikato and Bay of Plenty Districts.<sup>3</sup> The issues at the top of the agenda include:

1. Transforming Recycling<sup>4</sup>
2. Emission Reduction Plan (ERP)<sup>5</sup> to reduce greenhouse gas emissions from organic waste/s
3. Legislation to replace the current Waste Minimisation Act 2008 and the Litter Act 1979 which will be combined into one Act<sup>6</sup>
4. Introducing and Container Return Scheme that provides for a refund on beverage containers<sup>7</sup>
5. Developing solutions for priority products at end-of-life; tyres, farm plastics, e-waste, agrichemicals and their containers, plastic packaging, refrigerants<sup>8</sup>
6. Rautaki Hanganga o Aotearoa 2022 - 2052 New Zealand Infrastructure Strategy, a long-term plan that for infrastructure that includes waste (chapter 6.5).<sup>9</sup>

While consultation has taken place on items 1 and 2, we are expecting further consultation on items 3-6, some before year-end 2022, early 2023.

Below is a brief overview of how each of these initiatives may affect MPDC.

<sup>2</sup> <https://environment.govt.nz/what-government-is-doing/areas-of-work/waste/work-programme-on-waste/>

<sup>3</sup> <https://environment.govt.nz/what-government-is-doing/areas-of-work/waste/work-programme-on-waste/#waste-work-programme>

<sup>4</sup> <https://environment.govt.nz/what-government-is-doing/areas-of-work/waste/transforming-recycling/>

<sup>5</sup> <https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/emissions-reduction-plan/>

<sup>6</sup> <https://environment.govt.nz/what-government-is-doing/areas-of-work/waste/waste-legislation-review/>

<sup>7</sup> <https://environment.govt.nz/what-government-is-doing/areas-of-work/waste/container-return-scheme-reducing-waste-landfill/>

<sup>8</sup> <https://environment.govt.nz/what-government-is-doing/areas-of-work/waste/product-stewardship/regulated-product-stewardship/>

<sup>9</sup> <https://strategy.tewaihang.govt.nz/strategy>

### 1. Transforming Recycling

This provides for standard set of materials collected at the kerbside nationwide preventing confusion when moving from one district another. MPDC have been involved since project inception.

Our current services meet the planned national standards and the inclusion of food waste collections in September 2023 will ensure we have all the designated services in place. The list of products and materials is:

1. Household plastics 1, 2 and 5
2. Tin cans
3. Aluminum cans – no aerosols
4. Paper and cardboard
5. Glass bottles and jars – collected colour separated
6. Food scraps – commencing September 2023

We consider this action item to be well in hand as we meet this standard.

### 2. Emission Reduction Plan<sup>10</sup>: Chapter 15 Waste

In 2019, 94 per cent of waste emissions were biogenic methane – largely generated by the decomposition of organic waste (such as, food, garden, wood and paper waste). The waste sector has been set a target of reducing biogenic methane, by 40 per cent by 2035 (relative to 2017 levels).

MPDC will be contributing towards meeting this target by implementing a kerbside collection of food waste to eligible households in September 2023. We will continue to accept and manage green waste at our three Refuse Transfer Stations as well.

We will be eligible to apply for funding from MfE for our new kerbside food waste collection bins (approx. \$157,500) as well as other incidental costs, yet to be finalised and will be submitting an application to MfE.

### 3. New and more comprehensive legislation to replace the current Waste Minimisation Act 2008 and the Litter Act 1979

In 2021, MfE consulted on a proposed new waste strategy that sets an innovative bold direction for everyone to transform the way we think about and manage waste. It included issues and options for developing comprehensive waste legislation to regulate the management of waste, and products and materials circulating in our economy.

Once developed, the new legislation would replace the Waste Minimisation Act 2008 and the Litter Act 1979. The new legislation is expected to go through the House during 2023, and could include targets and other requirements for Territorial Authorities to better manage and report on waste.

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<sup>10</sup> <https://environment.govt.nz/publications/aotearoa-new-zealands-first-emissions-reduction-plan/waste/>



This could require increased compliance and enforcement and we are monitoring progress on this actively, including continuing dialogue with Ministry Officials.

#### 4. Introducing and Container Return Scheme

We drink from over two billion glass, plastic, metal, paperboard and other single-use drink containers each year in Aotearoa New Zealand. It is estimated over half these empty beverage containers end up in landfills and unused stockpiles or littering streets, public spaces, streams, beaches and the ocean.

Container return schemes encourage consumers and businesses to return beverage containers (e.g., bottles, cans etc.) for recycling and/or re-use. They do this by including a refundable deposit (e.g., 20-cents or more) in the price of purchase. Consumers get their deposit refunded when they return their empty beverage container(s) to a designated scheme drop-off point for recycling.

MfE is investigating the design of a scheme to be in place in 2025. This could affect kerbside collections, reducing the volume collected. It could also affect our RTS sites if we elect to become a designated site, which would increase volumes and income through each site.

We will continue to monitor this closely and once confirmed make decisions on what action we may take. Although there are competing views, kerbside collection and container-return schemes complement each other and one scheme does not displace the other. The most important aspect of a container return scheme is that it reduces litter.

#### 5. Developing solutions for priority products at end-of-life

The Environment Minister has confirmed six products now require regulated mandatory recovery schemes whereby responsibility for managing end-of-life products, including placing the cost on producers, importers and retailers rather than on communities, councils, neighbourhoods and nature

As a rural community, several of the mandatory product stewardship programmes have a direct impact for our farmers as agricultural chemicals and their containers and silage wrap are included. E-waste, refrigerants, plastic packaging and tyres are also included.

Tyres and large batteries are the first to become mandatory starting late 2023. We currently accept tyres at all RTS sites. The mandatory scheme will be required to cover all costs, removing these from ratepayers, although our RTS sites may act as a collection points provided it is at the schemes cost.

We will continue to monitor these programmes, it may be appropriate to establish permanent drop-off facilities at our RTS for some products, and materials provided it be at the cost of the producer and or retailer. The aim would be to provide good and accessible options for our community on an ongoing basis, in particular for our rural communities.

#### 6. Rautaki Hanganga o Aotearoa 2022 - 2052 New Zealand Infrastructure Strategy

Waste has been included in the New Zealand Infrastructure Commissions Strategy. There are nine recommendations included that directly relate to waste (recommendations 29-37). Local Government has seven items assigned to them in partnership with MfE, with MBIE included in two of the items.

Broadly speaking the recommendations relate to:

- Establishing a clear national strategy
- Banning hard to recycle products
- Greater product stewardship – shifting the cost to producers
- Increasing waste levies – to fund infrastructure and services required
- Improving infrastructure for priority materials, hub and spoke models
- Increasing ease of recycling for consumers with a focus on consistency – Transforming Recycling
- Improved organic collections; business and households – reducing green-house gas emissions
- Develop uses for recycled material in infrastructure – procurement policies
- Improve data capture – better reporting for planning and reporting
- Requiring all infrastructure projects to incorporate waste minimisation plans in procurement and design, using recycled product where feasible

Treasury has responded to the Strategy<sup>11</sup> and supports, or, confirms work is underway on each of the recommendations. These are important documents as they provide guidance and direction for MPDC as we make decisions on how better to manage our wastes.

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<sup>11</sup> [Government response to Rautaki Hanganga o Aotearoa, New Zealand Infrastructure Strategy \(treasury.govt.nz\)](https://www.treasury.govt.nz/publications/infrastructure-strategy)

## NEW KERBSIDE COLLECTION CONTRACT SEPTEMBER 2023

Overview of the new services

### Funding

- Our new services are funded through a targeted rate for eligible households.
- This includes refuse/waste collection previously funded through residents purchasing bags.
- This means the cost will shift from tenants to the property owner.
- The provision of a set of bins is included in the targeted rate, including the cost and depreciation.
- There will be not opt-out for eligible households who will be required to pay the targeted rate even if they choose not to use the service.

### Collection Areas

Services will be provided to<sup>12</sup>:

- Standard households, private roads and Multi-Unit developments.
- Right of Ways and Lane will not be serviced outside their house but can bring bins to the nearest public road
- The CBD areas in all three townships will not be serviced
- There are no rural collection services

### Containers

MPDC will provide each eligible household with a single service option limited to:

- 25-litre food scrap bin
- 120-litre wheelie bin for waste<sup>13</sup>
- 240-litre wheelie bin for recycling
- 45-litre glass crate – maximum of 2x crates per property

We will not be offering different size bins as an option and should this service not suit a household they can purchase 'extra' services from a private contractor.

<sup>12</sup> Confirmed at the 14 September 2022 Council meeting

<sup>13</sup> 120-litre capacity is equivalent to approx. 2.6 official 'pink bags'.

### Collection Days

Collection days will change so there are no council collections on a Monday or Friday, which will avoid confusion for residents on public holidays and reduce costs including advertising, staff time etc.

The new collection days will be:

Monday	Tuesday	Wednesday	Thursday	Friday
No collections	Matamata, Waharoa, Walton, Tahuroa <i>(from Friday Collection)</i>	Morrinsville, Mangateparu, Tahuna <i>(from Friday Collection)</i>	Te Aroha, Waihou and Waitoa <i>(Waihou &amp; Waitoa included in Te Aroha collections)</i>	No collections

Matamata and Morrinsville will each have a dedicated collection day, Tuesday and Wednesday, instead of Friday. There will be no change for Te Aroha and Thursday will remain their collection day. Waihou and Waitoa will be included in Te Aroha collections.

### Food Waste Collection

MPDC Solid Waste Analysis Protocol (SWAP)<sup>14</sup> showed that kitchen waste was the largest component of waste in both our official bags and in wheelie-bins, an estimated 35-tonne per week.

Collecting food waste aligns with services introduced by our neighbours including Tauranga, Hamilton and Western Bay of Plenty. Thames Coromandel and Hauraki District Councils will also be introducing the same service in September 2023 so our services will align across the districts.

We will provide each eligible household with a 25-Litre food waste bin collected weekly. This will remove 'smelly' items on a regular schedule and limit complaints around odour.

In addition, Central Government through the Emissions Trading Scheme confirmed that 'Actions to address food and organic waste will be a key part of the Government's emissions reduction plan and upcoming new national strategy for waste'<sup>15</sup>. Territorial Authorities with facilities capable of processing food waste have until 2025 to introduce a food waste collection.

MPDC has three facilities located in the district capable of accepting and processing food waste therefore it was considered appropriate to introduce this service as part of the new contract and to meet government guidelines rather than waiting until 2025.

### Central Business Districts (CBD)

Collections in the CBD area will cease with the new contract:

- The tendered cost, at over \$600 per annum and variable charging required this was not considered viable
- Collections were causing traffic delays in the main streets while stopping to collect bins
- With a shift to a second wheelie-bin and truck this is expected to increase

<sup>14</sup> <https://environment.govt.nz/publications/solid-waste-audits-for-ministry-for-the-environment-waste-data-programme-200708/solid-waste-audits-questions-and-answers/>

<sup>15</sup> <https://environment.govt.nz/what-government-is-doing/areas-of-work/waste/reducing-food-waste/>

- Our services are limited; some businesses required fewer collections and others more
- Collection vehicles are a standard size and not always able to service some areas due to size
- Bins had to be left out overnight as they were often collected before business had opened
- Some CBD bins were highly contaminated with non-household packaging
- It is thought business should cover their own cost for waste disposal and not the general ratepayer

Risk Area:	Implementation and handover of new kerbside collection contract
Risk Assessment Team:	Solid Waste
Scope:	review the risks associated with the implementation of the new contract and handover of current services by incumbent

Date:
20-Aug-22

Categorise Risk	Risk No.	Risks Description	Consequences	Inherent Risk Assessment			Describe Individual Controls	Select Control Type	Assess Control	Residual Risk Assessment			Comments	Responsibility	Timing
				Likelihood	Consequence	Inh Rating				Likelihood	Consequence	Res Rating			
Financial/Economic	1	Contract variations arise as part of contract in particular with increased compliance coming from Central Government - costs unknown	Unknown costs for contract - impact on future rates	Almost Certain	Moderate	High	As new compliance regulations released, negotiations to be held with contractor. Maintain good relationship with contractor so they are well managed and understood	Key	Effective (99%)	Unlikely	Low	Low	It is possible government will introduce new charges that cannot be foreseen; i.e. RUC's on electric vehicles	Solid Waste Lead	ongoing
Financial/Economic	2	Inflation continues to increase, increase in fuel costs including the CPI	Budget higher than expected and not allowed for	Likely	Moderate	High	Ongoing budget assumptions and estimates to be put in place	Fall Back	Effective (99%)	Likely	Low	Moderate	Inflation may increase and effect CPI costs	Solid Waste Lead	ongoing
Financial/Economic	3	Council delay in determining new services to be provided for kerbside collection	Delay in contract sign off for negotiations and finalisation,	Possible	High	High	Council to be provided information report with options and pricing to support decision of new service	Key	Effective (99%)	Unlikely	Low	Low			
Operational (Property/Asset Management including compliance, liability, security, facility management etc)	4	Council delay in determining new services to be provided for kerbside collection	Delay in procurement of new trucks, delay in start of new service	Possible	High	High	Council to be provided information report with options and pricing to support decision of new service so contractor can have good lead times	Key	Effective (99%)	Unlikely	Low	Low			
Brand & Reputation	5	Service change to kerbside collections - standard residential households - change from bags to bins and new food collection	Residents complaints due to council decision for changes to service, May not be not be understood/ well received; fear of stinky bins, why do we need it, my bin will blow down the road	Likely	High	Very High	Community consultation has taken place as part of the LTP. Tie in with messaging about climate change, reduction in green house emissions, government mandates and this is something you can do to assist in carbon reduction. Brief customer services and comms teams	Key	Effective (99%)	Likely	Low	Moderate			
Brand & Reputation	6	Service change to kerbside collections - if Council decides to ceasing to provide services to the CBD	Negative publicity Limited negative reaction from individuals or local interest groups. Limited complaints.  Negative regional media coverage for up to 2 days.  Local adverse political comment for several days	Almost Certain	Moderate	High	Prepare Comms plan, update elected officials, visit business groups as required.	Key	Partially (60%)	Likely	Low	Moderate	This may require extra resourcing. Will offset by proving full list f alternative service providers	Solid Waste Lead	6-months prior to implementation
Brand & Reputation	7	Service change to kerbside collections - if Council decides to cease collections to 3x private roads currently serviced is not well received by those residents	Negative calls to council, poor publicity, staff abused	Almost Certain	Moderate	High	Arrange for visit to premises in partnership with elected officials to explain reasons and suggest solutions	Key	Partially (60%)	Almost Certain	Moderate	High			
Brand & Reputation	8	Change from user pays bags to rates funded refuse service not well understood, in particular rates increase	Negative calls to council, poor publicity, staff abused	Almost Certain	Moderate	High	Prepare Comms plan and start messaging as soon as possible. Use reiterative messaging. Brief customer services and Comms on standard responses	Key	Partially (60%)	Likely	Moderate	High			
Brand & Reputation	9	New collection vehicles, bins not ready for commencement of new contract	Negative complaints from community	Possible	High	High	Keep in contact with contractor to ensure any delays are signalled early. Develop a comms plan to mitigate	New	Partially (60%)	Possible	High	High			
Operational (Property/Asset Management including compliance, liability, security, facility management etc)	10	New collection vehicles not ready on time due to pressure on supply chain	New services cannot start as planned	Possible	High	High	Keep in touch with contractor, check in to confirm dates, develop a backup plan with existing contractor	New	Effective (99%)	Possible	Moderate	Moderate			
Operational (Property/Asset Management including compliance, liability, security, facility management etc)	11	Incumbent contractor fails to participate in handover to new supplier	extra resources are required for setup, some information may need to be recreated, additional expense	Possible	Very High	Very High	Maintain and good relationship with current service provider. Keep flow of information clear and open	New	Partially (60%)	Possible	High	High			
Information Technology	12	New IT systems will be required for monitoring and reporting. Existing IT systems have to be withdrawn as each company operates different systems	Difficult to monitor the contract including customer services and contract manager	Possible	High	High	Keep IT well informed and include in project plan; advise key dates and involve IT team in changeover and integration	New	Effective (99%)	Possible	Moderate	Moderate			
Information Technology	13	Internal IT staff not available to support project due to pressures from other projects	new systems not available, difficult to manage an anticipated increase in calls to council during implementation	Possible	Very High	Very High	Ensure IT are kept informed of deadlines, include in meetings. If all else fails have IT recommend a consultant who can undertake work	New	Effective (99%)	Possible	High	High			
Brand & Reputation	14	Existing supply of stored MPDC bags	Residents want to know if they can use or get refund. May call for refunds and try to return bags	Likely	Moderate	High	Communicate widely that MPDC bags can still be taken to RTS sites free of cost	New	Effective (99%)	Possible	Low	Low			
Financial/Economic	15	Volume of waste to landfill exceeds budget as residents with private wheelle bin collections change to MPDC refuse bin	cost exceeds budget estimates	Possible	High	High	Keep track of volumes via waste to landfill invoices, contractors reports. Removal of CBD collections may keep volumes lower. Review volumes annually and amend budget	New	Effective (99%)	Possible	Moderate	Moderate			



## Exclusion of the Public: Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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

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

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

### C1 Risk review assessment - development project

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege. . s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. . s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). .	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.