

# 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 24 January 2024  
**Wā | Time:** 9:00  
**Wāhi | Venue:** Council Chambers  
35 Kenrick Street  
TE AROHA

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### Ngā Mema | Membership

#### Manuhuia | Mayor

Adrienne Wilcock, JP (Chair)

#### Koromatua Tautoko | Deputy Mayor

James Thomas

#### Kaunihera ā-Rohe | District Councillors

Caleb Ansell

Sarah-Jane Bourne

Sharon Dean

Bruce Dewhurst

Dayne Horne

Peter Jager

James Sainsbury

Russell Smith

Kevin Tappin

Gary Thompson

Sue Whiting

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**Kāinga Ipuranga | Website:** [www.mpdc.govt.nz](http://www.mpdc.govt.nz)



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**1 Whakatūwheratanga o te hui | Meeting Opening**

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

An apology from Councillor James Sainsbury has 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 13 December 2023

**6 Papa ā-iwi whānui | Public Forum**

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

## 7 Pūrongo me whakatau | Decision Reports

# 7.1 Approval of Pride of Place - Community-Led Initiatives grant policy

CM No.: 2808836

### Te Kaupapa | Purpose

The purpose of this report is to seek Council approval of the the Pride of Place – Community-led initiatives grant policy.

### Rāpopotonga Matua | Executive Summary

Pride of Place is Council's flagship placemaking project – with a remit to build vibrancy within the Matamata Piako district's main town centres. It works directly with community to develop aspirational goals for their towns and then supports community-led initiatives and traditional Council projects to realise those goals.

At its 13 December 2023 meeting, Council approved the Pride of Place project package. Along with budget details and other resourcing matters, the package included a request to use external funding to establish a temporary grant scheme to support small-scale community-led initiatives. Council approved this request.

Council is asked to approve the Pride of Place – Community-led Initiatives grant policy effective from 1 February 2024 until 1 February 2028. The policy will be reviewed during this time.

A draft copy of the Pride of Place – Community-Led Initiatives grant policy is included as Attachment A.

### Tūtohunga | Recommendation

That:

1. **The information be received.**
2. **Council approves the Pride of Place – Community-led initiative grant policy effective from 1 February 2024**
3. **Council delegates Pride of Place – Community-led initiative grant administration and application funding approval to the Strategic Partnership and Governance Manager and the Placemaking and Governance Team Lead.**

### Horopaki | Background

On 9 June 2021, Council approved the Pride of Place project to help build vibrancy within the Matamata Piako district's main town centres. To date Council has endorsed the Matamata, Morrinsville and Te Aroha place plans and added Wahoroa to the project line-up too.

In response to the economic climate highlighted by elected member feedback, and supported by staff delivering the project, a revised plan forward was presented and was approved by Council at

its 19 July 2023 meeting. The new way forward has a particular focus on valuing and supporting community-led initiatives.

Council secured \$4.32m of external funding from Central Government's Better Off Package and agreed to allocate \$30,000 per year of that sum, to support eligible community-led initiatives over four consecutive years starting February 2024 via a new grant scheme.

The Pride of Place - Community-Led Initiatives grant would be available to not-for-profit organisations and individuals that would like to deliver small-scale events, programmes, installations or activities that benefit the wider wellbeing of those in the Matamata-Piako district.

The grant will allow Council flexibility to support small-scale, community-led initiatives as they emerge.

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

This policy has been created to provide a framework for decision making in relation to the Pride of Place – Community-led initiative grant.

Council's [Pride of Place project](#), works with communities to create goals for Matamata-Piako district towns and supports community-led initiatives that achieve those goals. Where possible, eligible grant proposals should demonstrate alignment to the Pride of Place goals or present a case for initiatives that will result in general positive social good in the district.

The following additional criteria will also be considered when assessing a proposal for a grant:

- **Locality:** Initiatives must take place in the Matamata-Piako district
- **Scale:** Priority will be given to small-scale initiatives with a clear potential of positively impacting community
- **Community involvement:** Initiatives must show evidence of collaboration, partnerships and connections with other local groups. This includes exploring other funding options and sources
- **Inclusivity:** Initiatives must be open to the public – this grant is not for private or closed initiatives.
- **Innovation and creativity:** Initiatives must be new and unique – this grant cannot be awarded more than twice to the same initiative.
- **Positive impact:** Initiative must demonstrate clearly the benefit it will have on community.
- **Viability:** Initiative scope and cost must be clear and achievable

Council is being asked to endorse the Pride of Place – Community-led initiatives grant policy to ensure it is structured, clear, fair and will deliver on its intended purpose of supporting community, encouraging them to take the lead in helping create a district that is an even better place to live, work, play and learn in.

Council is also being asked to delegate the review and final funding decisions to the Strategic Partnerships and Governance Manager and the Placemaking and Governance Team Leader with frequent updates provided to Council on grant outcomes.

**Mōrearea | Risk**

The policy has been developed in line with Council’s other grants with consideration around ensuring robust processes.

**Ngā Whiringa | Options**

The following options are available to Council to consider:

1. Do not endorse the Pride of Place – Community-Led Initiative grant policy.
2. Endorse the DRAFT Policy as attached.
3. Endorse the DRAFT Policy with further amendments.

**Recommended option**

Staff recommend option 2 – Council endorse the DRAFT Policy as attached.  
 or option 3 – Council endorses the DRAFT Policy with further amendments,  
 if required.

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

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

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

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

<b>Local Government Act 2002 decision making requirements</b>	<b>Staff/officer comment</b>
Section 77 – Council needs to give consideration to the reasonable practicable options available.	Options are addressed above in this report.
Section 78 – requires consideration of the views of Interested/affected people	Council is not required to undertake a consultation process in relation to this report.
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The Significance and Engagement Policy is considered above.  This issue is assessed as having a low level of significance.
Section 82 – this sets out principles of consultation.	Staff do not recommend consultation as this report has been assessed as of low significance.

**Policy Considerations**

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

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

The relevant Community Outcomes are set out below:

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

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

This report does not involve any request for funding.

## Ngā Tāpiritanga | Attachments

[A↓](#). DRAFT - Pride of Place - Community-led initiatives grant policy



## Ngā waitohu | Signatories

Author(s)	Jennifer Mahon <b>Senior Advisor - Placemaking and Engagement</b>	
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Approved by	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	
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## Pride of Place – Community-led Initiatives Grant Policy 2024



**Ngā Wāhanga**  
Te Rautaki ā-Rōpū

**Department**  
Strategic Partnerships and Governance

**Te Tūmomo Kaupapahere:**  
Mō Āwaho

**Policy Type:**  
External Policy

**Te Rā o te Whakataunga e te Kaunihera:**

**Council Resolution Date:**

### Ko te pūtake o tēnei kaupapahere | Policy Purpose

The Pride of Place - Community-led Initiatives grant supports community to deliver their own small-scale initiatives that contribute to an even better district to live, work and learn in.

### Kaupapahere | Policy

The Pride of Place – Community-led Initiatives grant is available to ‘not-for-profit’ groups, organisations and individuals that would like to deliver small-scale events, programmes, installations or activities that benefit the wider wellbeing of those in the Matamata-Piako district and increase its vibrancy.

Council’s [Pride of Place project](#), works with communities to create goals for Matamata-Piako district towns and supports community-led initiatives that achieve those goals. Where possible, eligible grant proposals should demonstrate alignment to the Pride of Place goals or present a case for initiatives that will result in general positive social good in the district.

The following additional criteria will also be considered when assessing a proposal for a grant:

- **Locality:** Initiatives must take place in the Matamata-Piako district
- **Scale:** Priority will be given to small-scale initiatives with a clear potential of positively impacting community
- **Community involvement:** Initiatives must show evidence of collaboration, partnerships and connections with other local groups. This includes exploring other funding options and sources
- **Inclusivity:** Initiatives must be open to the public – this grant is not for private or closed initiatives.
- **Innovation and creativity:** Initiatives must be new and unique – this grant cannot be awarded more than twice to the same initiative.
- **Positive impact:** Initiative must demonstrate clearly the benefit it will have on community.
- **Viability:** Initiative scope and cost must be clear and achievable

### Ngā Hua | Outcomes

Organisations and individuals receiving grants are expected to demonstrate how their small-scale initiative achieves the Pride of Place goals and/or benefit the wider wellbeing of those in the Matamata-Piako district.



### Ngā kaupapa ka tautokona ā-pūtea | What we fund

The Pride of Place – Community-Led initiatives grant will consider funding all costs not listed on the 'What we don't fund' list that follows next.

### Ngā kaupapa kāore e tautokona ā-pūtea | What we don't fund

- Projects or initiatives located outside of the district.
- Applications for purposes that do not directly relate to the grant.
- Ongoing subscriptions and memberships.
- Related costs that have already occurred.
- Any costs involved in preparing the application.
- Fundraising costs.
- Catering costs.
- Legal costs.
- Project or operational costs already substantially funded by Council.
- Repayment of debt, loan, mortgage repayments or investments of any kind.

### Kaupapahere Te Mātaitema, me te Arotakenga | Policy monitoring and review

The Strategic Partnerships and Governance team are responsible for providing Council with a summary of expenditure and an evaluation of the Policy on a bi-annual/annual basis (depending on volume of applications). This policy shall be reviewed at least twice over the full length of its four year term.



## Funding Process



## Schedule 1 – Guidelines and additional information

### How to apply?

All applications are available through Council’s online grant application system [mpdc.nz/grants](http://mpdc.nz/grants).

### What are the requirements that have to be met by successful applicants?

Successful applicants may be required to complete a grant agreement prior to payment of the grant.

Successful applicants must adhere to the accountability reporting requirements.

Recipients that fail to submit accountability reports, or that have not spent the grant funds in accordance with the application/contract shall not be eligible for any further Council grants until:

- Accountability conditions have been met and/or grant monies returned;
- The applicant can demonstrate their ability to meet Council's eligibility criteria for a grant;
- The applicant is capable of delivering the initiative outcomes in which they are making an application for.

Successful applicants must acknowledge Matamata-Piako District Council - Pride of Place project in all marketing materials, where other sponsors are being noted and where it is practical

### How will I know if funding has been approved?

Applicants will be notified of the decision as soon as practicable (maximum of two weeks after the application has been submitted).

Upon receipt of invoice, payment will be made on the 20<sup>th</sup> of the following month.

### Accountability report

Funding recipients are required to provide an accountability report within two months of the finish date of the event or project.

### Application Process:

How much is available?	Maximum funds available \$30,000 per annum for 4 years.
How much can be applied for?	The maximum grant amount is \$2,000 per application.  As this fund is intended for small initiatives most applications are expected to be less than the maximum amount.  If applicants are looking for higher levels of funding, they will be directed to other funding schemes.
Who can apply?	Not-for-profit community groups and individuals can submit requests for funding.



	<p><i>Please contact Council's Pride of Place team in the first instance to talk through ideas and get full eligibility requirements.</i></p> <p>Call Council on 07 884 0060 and ask for the Pride of Place Team or email <a href="mailto:prideofplace@mpdc.govt.nz">prideofplace@mpdc.govt.nz</a></p>
When to apply?	<p>Applications are open throughout the year until the fund is fully allocated.</p> <p>Applications are required at least 15 working days before the proposed initiative is due to commence.</p>
Uplifting Funds	<p>Funds must be uplifted within three months of the initiative being delivered.</p> <p>*All grant funds are GST exclusive.</p>
Timeframe	<p>The initiative for which the grant is allocated must take place within 6 months.</p>
Ready to apply?	<p>Click below: <a href="https://www.mpdc.govt.nz/grants-and-funding">https://www.mpdc.govt.nz/grants-and-funding</a></p>



## 7 Pūrongo me whakatau | Decision Reports

# 7.2 Review of Development Contributions Policy 2024-27

CM No.: 2800705

### Te Kaupapa | Purpose

The purpose of this report is to present the draft Development Contributions Policy to the Council for review.

### Rāpopotonga Matua | Executive Summary

The Development Contributions Policy (DCP) sets out how Council will recover the capital costs of development from development activity in the district, such as subdivisions, which place extra demand on the network.

The Development Contributions Policy is reviewed and consulted on alongside the Long Term Plan.

The final version of the DCP, alongside the full LTP and the Consultation Document will be presented to Council for approval for audit on 24 January 2024. Audit will review the DCP and the LTP in February and the results of the audit will be provided to Council in early March 2024, at which time Council will be requested to approve the documents for consultation. Council will receive public submissions during March/April 2024 and hold hearing and deliberations in May 2024, before adopting the final LTP.

### Tūtohunga | Recommendation

That:

1. Council receives the report.
2. Council reviews the draft Development Contributions Policy and provides comment.

### Ngā Take/Kōrerorero | Issues/Discussion

Council reviews its growth projections and the Development Contributions Policy every three years.

The Policy has been developed taking into account the following key principles:

- development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for Council to provide or to have provided new or additional assets or assets of increased capacity;
- development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding;
- cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the assets to be

provided (including the community as a whole) as well as those who create the need for those assets;

- development contributions must be used: for or towards the purpose of the activity or the group of activities for which the contributions were required; and for the benefit of the district or the part of the district that is identified in our Policy in which the development contributions were required;
- we should make sufficient information available to demonstrate what development contributions are being used for and why they are being used;
- development contributions should be predictable and be consistent with the methodology and schedules of our Policy;

### **Mōrearea | Risk**

The Local Government Act 2002 sets the requirements for preparation of the LTP.

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

The Development Contributions Policy is prepared every three years, alongside the Long Term Plan.

#### **Policy Consideration**

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

### **Ngā take ā-lhinga | Consent issues**

There are no consent issues.

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

All costs associated with the production of the Long-term Plan, including the Development Contributions Policy and community engagement can be met within existing budgets.

The financial impacts of the decisions included in the draft 2024-34 LTP supporting documents have been outlined in the consultation document.

### **Ngā Tāpiritanga | Attachments**

There are no attachments for this report.

### **Ngā waitohu | Signatories**

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

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	Susanne Kampshof <b>Asset Manager Strategy and Policy</b>	
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7 Pūrongo me whakatau | Decision Reports

## 7.3 Adoption of draft Liability Management Policy and draft Investment Policy

CM No.: 2802152

### Te Kaupapa | Purpose

The purpose of this report is to present the draft Liability Management Policy and draft Investment Policy to Council for adoption.

### Rāpopotonga Matua | Executive Summary

Council's Liability Management policy and Investment policy are reviewed regularly to ensure the policies remain effective in meeting Council's treasury objectives, and to consider if any amendments to the policies are required. The 150% limit of net debt to revenue set within the policy is raised for discussion considering Council's draft LTP projections. Council's independent external advisors, PWC have reviewed the existing policies and have recommended some minor amendments to tidy up aspects of the policy. We've also suggested changing from annual reviews of the policies to reviews at least every three years to align with the development of Council's Long Term Plan, and in keeping with the usual pattern of review across the sector.

At their meeting of 24 January 2023, the Risk and Assurance Committee will review the draft policies, and additionally will review compliance with the policies and the effectiveness of the policies in meeting their objectives, particularly in respect of the use of interest rate swaps. The Committee may have additional feedback or queries from their review to be considered before the policies are adopted by Council.

### Tūtohunga | Recommendation

That:

1. Council receive the report
2. Specifically, Council resolve to retain/amend the net debt to revenue limit of 150% within the Liability Management Policy
3. Council adopt the draft policies

### Horopaki | Background

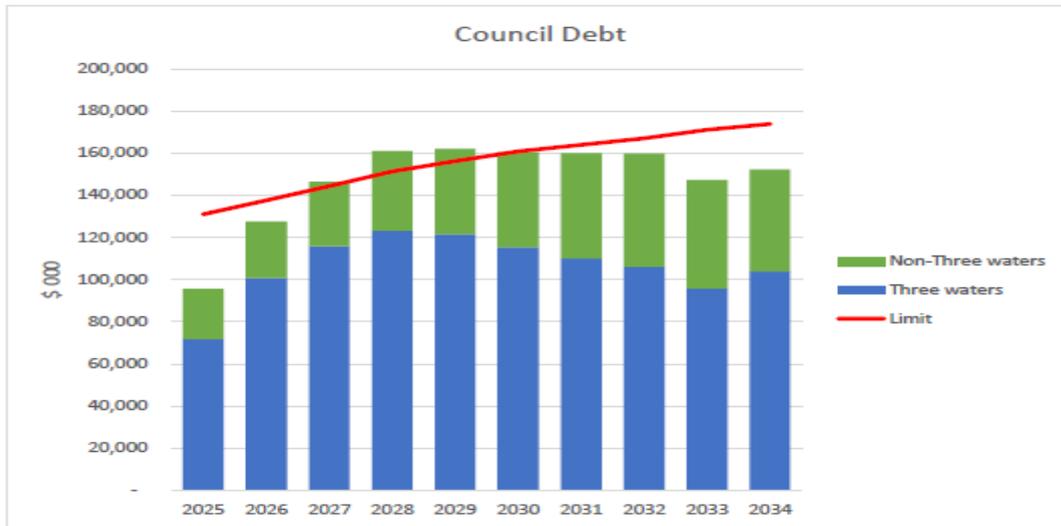
Following a review, PWC have recommended a few minor changes to the policy that are largely housekeeping in nature. The updated policies are attached to this report, showing these minor proposed changes.

### Ngā Take/Kōrerorero | Issues/Discussion

Liability Management Policy – Limit on net debt to revenue in consideration of the draft LTP

We're proposing to increase our debt quite significantly over the first 3-4 years of the LTP mostly to fund MUST DO capital work required for our three waters activities. If our capital work happens as quickly as we have projected it to, there is a possibility that we could exceed our current self-imposed policy limit of net debt at 150% of revenue in years 3 to 5 of the plan. We project our net

debt to peak at \$148 million or 161% of revenue, and to be on average, around 141% of our revenue for the next 10 years.



The Committee and Council should consider if they wish to revise the current policy limit of 150% as part of this policy review.

Note that the limit on net debt to revenue that we must comply with to satisfy our lenders (LGFA) is 175% for our Council, so our current policy is considered conservative.

Increasing the limit (to anywhere between 161% to cover the LTP projections to 175%) would both ensure that we have more available borrowing headroom throughout the 10 years of the plan, and that our projections at the beginning of the plan are within policy limits (avoiding the need to explain why we have set forecasts that are outside of our policies).

Another option however is to leave the limit at 150%, noting that the projected breach will only arise if the capital programme progresses as quickly as forecast. Retaining the current limit of 150% and challenging ourselves to operate within that limit would ensure that we retain an appropriate level of tension on our debt limits. Should the situation arise, we do have opportunity to remedy a potential breach before it occurs through our Annual budget reviews, including by:

- reducing the capital programme,
- increasing revenue (eg rates) beyond what is projected in the LTP, or
- subsequently increasing the debt limit in this policy.

Interestingly we note that three-waters debt compared to three waters revenue ranges between 297% and 426% over the 10 year term. While our Council’s debt covenants are not monitored on this basis, it does raise the question of whether our recoveries from 3 waters (rates) is sustainable long term?

Liability Management Policy – Proposed amendments

As part of PWC’s policy review process, as well as updating the policies to meet emerging best practice, observations made throughout the year also help to inform their recommendations. There are no major changes recommended from this review, but amendments suggested include:

In the Interest rate exposure section:

- The language around determining the gross external debt forecast was reviewed and suggest adding in a comment that enables the Group Manager Business Support to consider alternative debt forecast scenarios when evaluating long-term debt and interest rate management decisions. This will provide management with greater insight around how the interest rate risk profile will change under different debt forecast scenarios to that of the base case debt forecast. Reviewing alternative debt forecast scenarios will reduce the risk of Council being in an over or under-hedged position in events such as the Affordable Waters Programme or changes to the capital expenditure programme. Management will continue to report to Council against the approved and agreed base case debt forecast for its Treasury Compliance and Reporting.

In the Liquidity/Funding section:

- They've clarified that Council's Liquidity parameter is "greater than" 110% and not "equal to" 110% as required by the LGFA.
- They have detailed how pre-funded debt is incorporated within the debt funding maturity profile calculation percentages. Once upcoming maturing debt has been pre-funded and the proceeds are held in a contracted term deposit that is ear-marked to repay the maturing debt, the term deposit amount held is netted off the upcoming maturing debt amount. This illustrates the forward management of the debt refinancing risk.
- They have removed the policy statement relating to the 33% of debt amounts maturing within a 12 month period. The funding maturity limit table adequately meets the maturity spreading objectives so this parameter was considered unnecessary.

The updated policy is attached to this report, showing these and other minor proposed changes.

#### Investment Policy – Proposed amendments

PWC have not recommended any significant changes to the Investment Policy, with only minor housekeeping suggestions proposed as shown in the attached draft policy.

The updated policy is attached to this report, showing the proposed changes.

#### **Mōrearea | Risk**

Risks relating to Council's draft policies could include; adopting provisions in the policies that do not comply with the covenants of the LFGA or other lenders, or that may jeopardise Council's statutory requirement to operate in a financially prudent manner. To mitigate these risks, Council have sought independent professional advice in the review of these policies.

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

Sections 102 (2) (b) & (c) of the Local Government Act 2002 require Council to adopt a liability management policy and an investment policy.

Section 104 requires that the liability management policy adopted must state the local authority's policies in respect of the management of both borrowing and other liabilities, including—

- (a) Interest rate exposure; and
- (b) Liquidity; and

- (c) Credit exposure; and
- (d) Debt repayment.

Section 105 requires that the investment policy adopted must state the local authority's policies in respect of investments, including—

- (a) [Repealed]
- (b) The mix of investments; and
- (c) The acquisition of new investments; and
- (d) An outline of the procedures by which investments are managed and reported on to the local authority; and
- (e) An outline of how risks associated with investments are assessed and managed.

Proposed amendments to policies as outlined above are considered minor  
Section 102(5) allows for the adoption of the investment and liability management policies without the requirement to use a special consultative procedure.

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

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

#### **Policy Considerations**

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

### **Ngā Tāpiritanga | Attachments**

[!\[\]\(1ec9c5991b6cfbe205eacf87caeef44f\_img.jpg\) Recommended changes to Liability Management Policy - January 2024 Review](#)



[!\[\]\(486bed401f4fb097f8b045650d678c18\_img.jpg\) Recommended changes to Investment Policy - January 2024 Review](#)



### **Ngā waitohu | Signatories**

Author(s)	Larnia Rushbrooke <b>Finance and Business Services Manager</b>	
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Approved by	Manaia Te Wiata <b>Group Manager Business Support</b>	
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## Liability Management Policy



### Our vision is

To minimise the cost of borrowing used to fund the capital development of the Community's assets

### Council's commitment

Council's commitment is to:

- Minimise our long term borrowing costs within approved risk parameters
- Minimise our exposure to adverse wholesale interest rate and credit margin movements, maturity and interest rate re-pricing concentrations
- Maintain appropriate liquidity levels and manage cash flows to meet known and reasonable unforeseen funding requirements.
- Minimise exposure to credit risk
- Comply with, monitor and report on financing/borrowing covenants and ratios under the obligations of our lending/security arrangements and this policy
- Comply with the requirements of the Local Government Act 2002

### Management of borrowings

Council will:

- Consider and approve its forecast borrowing requirements by approving its Long Term Plan and each Annual Plan.
- Manage financial assets and debt on a net portfolio basis (borrowings less cash instruments).
- Prudently and effectively manage borrowings and liabilities having regard to:
  - Interest rate and credit margin exposure
  - Liquidity and funding exposure
  - Counterparty credit exposure
  - Debt repayment
  - Borrowing limits and financial covenants
  - Security arrangements*(Procedural guidance on each of these matters is set out in appendix one).*



- Delegate authority to the Chief Executive Officer to initiate any actions in terms of this policy, including the authority to execute any documents on behalf of Council.

This policy covers internal and external borrowings. Any other Council liabilities are managed in the course of the Council's day-to-day operations.

### Borrowing limits

Council will:

- Ensure that the following parameters are not exceeded:

Item	Borrowing limit
Net external debt <sup>1</sup> as a percentage of total revenue <sup>2</sup>	<150%
Net interest <sup>3</sup> on external debt as a percentage of total revenue	<15%
Net interest on external debt as a percentage of annual rates income <sup>4</sup> (debt secured under debenture)	<20%
Liquidity: (Liquid investments + external debt + unutilised committed debt facilities) / external debt	>110%

### Interest rate exposure

Movements in interest rates can affect Council's financial performance and funding requirements. Interest rate risk management seeks to minimise interest costs and risks as interest rates change.

To manage interest rate risk on debt Council will:

- Utilise mechanisms including
  - setting risk control limits on fixed and floating rates
  - setting risk control limits on the use of interest rate instruments (under the guidance of independent external advisors) on a portfolio basis

<sup>1</sup> Net external debt is defined as external debt less liquid financial assets and investments. Liquid financial assets and investments are defined as cash, bank deposits and any fixed interest and equity investments that are held for other than strategic purposes.

<sup>2</sup> Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. Revenue excludes non-government developer contributions and vested assets (including found assets and the revaluation of derivatives and assets).

<sup>3</sup> Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.

<sup>4</sup> Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other Local Government Authorities (LGAs) for services provided and for which the other LGAs rate.



### Liquidity and funding

Financial assets and funding sources need to be managed to ensure that Council can meet all of its obligations as they fall due.

Council will:

- Utilise mechanisms to manage liquidity and funding risk including:
  - cashflow management and forecasting,
  - maintenance of unutilised committed debt facilities and liquid funds,
  - having risk control limits that enforce spreading of funding maturities,
  - pre-funding of existing and forecast debt requirements,
  - accessing long term debt where available and cost effective, to assist with spreading of term profile of funding risk

### Credit exposure

Prudent credit management can reduce Council's risk of loss from a counterparty failing to meet its obligations. Liquidity risk for borrowings is relevant for the undrawn portion of any committed, standby or bank facility, where the counterparty has a contractual obligation to provide funds to Council. Credit exposure from derivative and other financial contracts relates to the default of the counterparty leading to non-payment of their contractual obligations. To manage these risks, Council will:

- Set limits on the acceptable credit rating for counterparties.
- Ensure legal documentation is independently reviewed by Council's legal counsel.

### Debt repayment

Council will:

- Make debt repayment decisions driven by Council's liquidity profile, contractual terms, debt levels and sustainable funding needs. External debt is managed on a net portfolio basis.
- Only borrow externally when it is commercially prudent to do so.
- Determine the cashflows to be used for the repayment of debt or reduction in borrowing requirements.

### Security for debt

Council will:

- Offer security over borrowing by way of a charge over rates and rates revenue through the Debenture Trust Deed.



- From time to time, may offer alternative security over specific assets, with approval by Council and Trustee.

#### **Source of funds**

Council considers the following to be appropriate sources of funds:

- any New Zealand registered bank of suitable credit worthiness (as defined within the credit exposure section of the policy).
- Council reserves, special funds, or surplus cash available for internal borrowing
- borrowing secured by the Debenture Trust Deed.
- lease to own arrangements – the counter parties shall be the open market
- Council issued commercial paper and bonds to the LGFA, LGFA stand-by facilities that is secured by the Debenture Trust Deed.

#### **Borrowing mechanisms for Council Controlled Organisations and Council Controlled Trading Organisations.**

To better achieve its strategic and commercial objectives, Council may provide financial support in the form of debt funding directly or indirectly to CCO/CCTO's. Indirect lending is where the CCO/CCTO becomes a member of the LGFA and Council provides the financial support.

Council guarantees of financial indebtedness to CCTO's are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital. Council will not transact with a CCTO on terms more favourable than that of Council, if Council were not providing rates as security.

All lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed by Council's independent legal counsel and approved by Council.

#### **New Zealand Local Government Funding Agency Limited (LGFA)**

Despite anything in this Policy, Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent we consider necessary or desirable:

- Contribute a portion of our borrowing back to the LGFA as an equity contribution to the LGFA. For example, in the form of borrower notes.
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.



- Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
- Secure our borrowing from the LGFA and the performance of other obligations to the LGFA or our creditors with a charge over our rates and rates revenue.
- Subscribe for shares and uncalled capital in the LGFA.

Financial exposure to the LGFA is to be reviewed annually and reported to the Audit and Risk Committee and Council.

#### **Management procedures, reporting and policy review**

The Group Manager Business Support will:

- Approve documented treasury and operational procedures for borrowing activities, which will be administered by the Finance and Business Services Manager.

The Chief Executive Officer will:

- Report to Council on borrowings on at least a quarterly basis.

The Risk and Assurance Committee will:

- Formally review this policy at least every three years in line with the review of the Long Term Plan.

Council will:

- Receive recommendations from the Risk and Assurance Committee and review and adopt this policy at least every three years in line with the review of the Long Term Plan.

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A Wilcock  
Mayor

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D J McLeod  
Chief Executive Officer

Version 6  
Council resolution date: 24 January 2024





Appendix one

**LIABILITY MANAGEMENT POLICY PARAMETERS**

**Interest rate exposure**

**Objective**

To manage and minimise our costs and risks arising out of interest rate movements associated with our borrowing activities.

**Policy parameters**

Forecast gross core external debt is the amount of total core external debt that is expected to remain outstanding for a period greater than one year. When approved forecasts are changed (signed off by the Group Manager Business Support or equivalent), the amount of interest rate fixing in place may have to be adjusted to ensure compliance with the policy minimum and maximum limits.

The Group Manager Business Support can consider and approve alternative debt forecast scenarios that make assumptions around such matters as, the delivery and timing of the capital expenditure programme when designing the interest rate hedging strategy. . **However, the interest rate risk position is measured and reported against the base debt forecast approved by the Group Manager Business Support.**

Exposure to interest rate risk is managed and mitigated through the risk control limits below. Council's forecast gross core external debt should be within the following fixed/floating interest rate risk control limits.



**Debt interest rate policy parameters (calculated on a rolling monthly basis)**

<b>Debt period ending</b>	<b>Minimum fixed</b>	<b>Maximum fixed</b>
Current	40%	90%
Year 1	40%	90%
Year 2	35%	85%
Year 3	30%	80%
Year 4	25%	75%
Year 5	20%	70%
Year 6	0%	65%
Year 7	0%	60%
Year 8	0%	50%
Year 9	0%	50%
Year 10	0%	50%
Year 11 plus	0%	25%

A fixed rate maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. Maintaining a maturity profile beyond 90-days requires specific approval by Council.

“Fixed Rate” is defined as all known interest rate obligations on forecast gross external debt, including where hedging instruments have fixed movements in the applicable reset rate.

“Floating Rate” is defined as any interest rate obligation subject to movements in the applicable reset rate.

Pre-hedging in advance of projected physical drawdowns of new debt is allowed.

Fixed interest rate percentages are calculated based on the average amount of fixed interest rate obligations relative to the average forecast gross core external debt amounts for the given period (as defined in the table above).

Interest rate risk management instruments may be used to convert fixed rate borrowing into floating rate, floating rate borrowing into fixed or hedged borrowing. Independent external advisors will be consulted when using interest rate risk management products.

The following instruments may be used and are approved for interest rate risk management activity:

Forward rate agreements (“FRA”) on:

- Bank bills
- Government bonds



Interest rate swaps including:

- Forward start swaps
- Amortising swaps (whereby notional principal amount reduces)
- Swap extensions and shortenings

Interest rate options on:

- Bank bills (purchased caps and one-for-one collars)
- Interest rate swaptions (purchased swaptions and one-for-one collars with matching notional amounts, and maturity dates only)

Use of interest rate instruments:

- Any interest rate swap with a maturity beyond the maximum LGFA bond maturity must be approved by Council.
- Selling interest rate options for the primary purpose of generating premium income is not permitted, because of its speculative nature.
- During the term of the option, only the sold side of the collar can be closed out (i.e. repurchased) otherwise, both sides must be closed out simultaneously.
- Purchased borrower swaptions mature within 12 months.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate cannot be counted as part of the fixed rate percentage calculation.
- Forward start period on swaps and collar strategies to be no more than 36 months, unless the start date of the new swap coincides with the maturity date of an existing swap. The new swap's notional amount must be no greater than that of the existing swap.
- Buying and selling of financial futures is not permitted due to the administrative burden.
- Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

Interest rate instruments are only sought from strongly credit rated New Zealand registered banks. Banks must have a minimum long term credit rating of single "A" (Standard & Poor's', Fitch, or Moody's).



### Liquidity/Funding

#### Objective

To ensure that we have adequate committed financial resources to meet all our obligations as and when they arise, our liquidity and funding risk management centres on the ability to re-finance or raise new debt at a future time, at acceptable pricing (fees and borrowing margins) and terms.

Our ability to readily attract cost effective borrowing is largely driven by our ability to maintain a strong financial position, raise general rates and manage relationships with investors, financial institutions/brokers and the LGFA. External borrowing is sought from the LGFA and bank facilities.

#### Policy parameters

Council will manage liquidity and funding risk by:

- Appropriate cashflow management to ensure that sufficient funds are available to meet financial obligations as they fall due.
- Maintaining appropriate committed short-term borrowing facilities with Council's bank counterparties and/or with the LGFA.
- Maintaining financial investments in liquid instruments counterparties within credit risk limits.
- Liquid investments, available committed bank/loan facilities and external debt are maintained at greater than 110% over the existing external debt amount.
- Maintaining a spread of debt funding maturities to reduce concentration risk so that credit margins and overall borrowing costs are not unnecessarily increased due to market conditions.
- The Chief Executive Officer or delegate has the discretionary authority to re-finance existing debt on acceptable terms. Such action is to be reported and ratified by Council at the earliest opportunity.
- Council has the ability to pre-fund up to 18 months of forecast debt requirements including debt re-financing and pre-funded capital expenditure.

The funding maturity profile of the total committed funding in respect of all loans and committed facilities is set by the following risk control limits:-

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	0%	60%



A funding maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, a maturity schedule outside of these limits will require specific Council approval.

Once debt has been refinanced with a contracted term deposit (pre-funded), the term deposit amount will net off the maturing debt instrument from the funding maturity profile percentage calculation.

To minimise concentration risk, the LGFA require that no more than the greater of NZD 100 million or 33% of a council's borrowings from the LGFA will mature in any 12 month period.

Liquid investments are defined as those investments held for operational requirements and/or used to meet liquidity buffer requirements and include:

- Overnight bank, call deposits at 100% of principal amount
- Bank term deposits no greater than 30 days at 100% of principal amount
- Bank registered certificates of deposit (RCD's) maturing in less than 181 days at 100% prevailing market value

#### **Borrowing Mechanisms for CCO and CCTO organisations**

Any debt funding arrangement directly or indirectly to a CCO/CCTO must be approved by Council. In recommending an arrangement for approval the following is considered:

- Credit risk profile of the borrowing entity, and the ability to repay interest and principal amount outstanding on due date
- Impact on Council's credit standing, debt cap amount (where applied), lending covenants with the LGFA and other lenders and Council's future borrowing capacity.
- The form and quality of security arrangements provided
- The lending rate, given factors such as: CCO or CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc
- Lending arrangements to CCO/CCTO must be documented on a commercial arm's length basis. A term sheet, including matters such as borrowing costs, interest payment dates, principal payment dates, security and expiry date is agreed between the parties
- Accounting and taxation impact of on-lending arrangements.



All lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed by Council’s independent legal counsel and approved by Council.

**Credit exposure**

**Objective**

To minimise our risk of default on the part of any counterparty that has a contractual obligation to make any payments to us.

**Policy parameters**

Proposed counterparties to borrowing transactions will be assessed to ensure that there is reasonable certainty that obligations under borrowing facilities will be honoured. Financial related transactions will only be entered into with organisations specifically approved by the Council. Counterparties and limits can only be approved on the basis of long-term single “A” and above credit ratings (Standard & Poor’s’, or equivalent Fitch or Moody’s) and/or a short-term credit rating of A-1 or above.

In conjunction with the Investment Policy, positions should be spread amongst a number of counterparties to avoid concentrations of credit exposure. The following matrix guide will determine limits:-

Counterparty	Minimum long term credit rating	Total maximum per counterparty (\$m) <sup>5</sup>
NZ Government	N/A	Unlimited
NZ Local Government Funding Agency (LGFA)	AA-	Unlimited
NZ Registered Bank	A	15.0

Note these limits are a total across both the Investment Policy and Liability Management Policy and are not cumulative.

In determining the usage of the above gross limits, the following product weightings will be used:

- Investments (e.g. bank deposits) – transaction principal amount x weighting 100% (unless a legal right of set-off exists).
- Interest rate risk management (e.g. swaps, FRAs) – transaction Notional x maturity (years) x 3%.
- Foreign exchange – transactional face value amount x the square root of the maturity (years) x 15%.

<sup>5</sup> Total counterparty exposure includes; financial instruments for investments and risk management instruments.

### Debt repayment

#### Objective

To ensure that we can repay debt in a timely manner from appropriate sources.

#### Policy parameters

We will manage external debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so. We may determine that all or any part of the following cashflows may be used for the repayment of debt or reduction in borrowing requirements:

- depreciation charges for activities
- the proceeds of asset sales if we consider it appropriate
- contributions from other parties in terms of any contractual arrangements
- renewal loans
- specific revenue streams as determined by us (e.g. repayment of rental housing loans from rental housing income or loan repayment rates).

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

### Borrowing limits

#### Objective

To ensure that our debt is maintained within prudent limits.

#### Policy parameters

Borrowings will be managed to ensure that the following parameters are not exceeded:

Item	Borrowing limit
Net external debt <sup>6</sup> as a percentage of total revenue <sup>7</sup>	<150%
Net interest <sup>8</sup> on external debt as a percentage of total revenue	<15%

<sup>6</sup> Net external debt is defined as external debt less liquid financial assets and investments. Liquid financial assets and investments are defined as cash, bank deposits and any fixed interest and equity investments that are held for other than strategic purposes.

<sup>7</sup> Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. Revenue excludes non-government developer contributions and vested assets (including the revaluation of derivatives and assets).

<sup>8</sup> Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.



Net interest on external debt as a percentage of annual rates income <sup>9</sup> (debt secured under debenture)	<20%
Liquidity: (Liquid investments + external debt + unutilised committed debt facilities) / external debt	>110%

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate. Disaster recovery requirements are to be met through the liquidity ratio amount.

**Security arrangements**

**Objective**

To provide appropriate security that does not restrict our operations or limit control of Council community and strategic assets, whilst being sufficiently attractive to lenders to secure competitive borrowing margins, fees, interest rates and terms.

**Policy parameters**

Council offers security by way of a charge over rates and rates revenue through the Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government (Rating) Act 2002. From time to time, with Council and Trustee approval, specific security may be offered by providing a charge over one or more of our assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance).
- We consider a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the Debenture Trust Deed.

**Source of funds**

Appropriate sources of funds are specified in the policy. In evaluating strategies for new borrowing (in relation to source, term, size and pricing) we take into consideration the following:

- available liquidity and terms on offer by the LGFA and banks

<sup>9</sup> Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other Local Government Authorities (LGAs) for services provided and for which the other LGAs rate.



- our overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time
- the outlook on LGFA and bank credit margins
- ensuring that the implied finance terms and conditions within the specific debt (e.g. project finance) are evaluated in terms such as cost/risk limitation compared to the terms and conditions we could achieve in our own right
- legal documentation, security arrangements and financial covenants.

Alternative strategies for new borrowings considered in this evaluation process are documented for review purposes. Our ability to readily attract cost effective borrowing is largely driven by our ability to rate, maintain a strong financial position and manage our relationships with financial institutions/LGFA.

### **Policy review**

#### **Objective**

To uphold and maintain current Liability Management Policy best practice standards.

#### **Policy parameters**

Each external loan will be monitored on an annual basis over the term of the loan, and benchmarked against the other identified options at the time the loan was raised. This will enable Council's performance in the achievement of the objectives set out in this policy to be assessed and reported to Council.

This Policy is to be formally reviewed on an annual basis. The General Manager Business Support, or equivalent, has the responsibility to prepare a review report that is presented to the Council or Council sub-committee. The report will include:

- recommendation as to changes, deletions and additions to the Policy
- overview of the treasury function in achieving the stated treasury objectives, including performance trends in actual borrowing cost against budget (multi-year comparisons), and interest rate management instruments against benchmarks
- summary of breaches of policy and one-off approvals outside policy to highlight areas of policy tension
- analysis of bank lender service provision, share of financial instrument transactions etc
- comments and recommendations from our external auditors on the treasury function, particularly internal controls, accounting treatment and reporting



- an audit of the treasury system/spreadsheets and procedures should be undertaken
- adherence to borrowing limits specified in the covenants of bank lenders to Council

The Council receives the report, approves policy changes and/or rejects recommendations for policy changes.

#### **Statutory matters**

- All borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002, and incorporate the Liability Management Policy and Investment Policy.
- We do not borrow in foreign currency in terms of section 113 of the Local Government Act 2002.
- We also ensure we are consistent with the Local Government (Financial Reporting and Prudence) Regulations 2014 and, in particular, Schedule 4.
- All projected borrowings are to be approved as part of the Annual Plan process or resolution of Council before the borrowing is affected.
- All legal documentation in respect to borrowing, investments and financial instruments will be approved by our solicitors prior to the transaction being executed.
- We will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself.
- A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
  - The period of indebtedness is less than 91 days (including rollovers); or
  - The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.



## Investment Policy



### Our vision is

To get the best return on low risk financial investments and/or to secure long-term benefits for the community through strategic investments.

### Council's commitment

Council's commitment is to:

- Prudently manage Council's financial investments from low risk investments.
- Maintain a prudent level of liquidity and flexibility to meet both planned and reasonably unforeseen cash requirements.
- Invest only in approved investment instruments and securities.
- Seek to optimise investment income
- Monitor and report on risk and performance against predetermined limits and benchmarks
- Ensure operational controls and procedures are in place that protect the Council against financial loss, opportunity cost and other inefficiencies.
- Ensure that all statutory requirements related to Council's investments are adhered to.

### Investment mix

Council may:

- Invest in the following assets from time to time:
  - New Zealand Local Government Funding Agency Limited
  - Investments in other companies and entities
  - Community loans and advances
  - Property investments for strategic objectives
  - Cash and treasury investments
  - Internal loans

The specific objectives and policies related to these types of investments are detailed in appendix one.

### Risk management

Council is risk averse and seeks to minimise exposure from its treasury activities. Council does not allow any transactions that are speculative in nature to be entered into. Council's investment activities expose it to a variety of financial market risks including credit risk and liquidity risk.

Credit risk is managed by the Council limiting the amount of credit exposure to any one institution or organisation. Investments in other local authorities are secured by charges over rates. Other than other local authorities, Council invests funds only



with entities that have a Standard and Poor's (or equivalent recognised agency) credit rating of at least A-1 for short term and A for long term investments.

Liquidity risk is managed by investing only in financial assets that can be liquidated through a readily available secondary market or have a short time period before maturity as articulated within the liquid investment's definition.

Council will:

- Adopt prudent risk management practices that will include:
  - Engaging appropriate expertise when major investment strategies are being developed
  - Reference to authoritative and current economic commentaries and financial market forecasts.

The appendix to this policy contains parameters and procedures which have been established to reflect Council's risk tolerance.

#### **Acquisition of new investments**

All investment acquisitions (other than treasury investments, LGFA and internal loans) will be approved by Council, and Council will:

- Assess the acquisition of any new investments having regard for the following:
  - The requirements of the Local Government Act 2002
  - Council's policy on significance
  - Council outcomes and objectives
  - The provisions of this policy.

#### **Application of returns on investments.**

Council will:

- Apply returns on investments as outlined in the LTP or the Annual Plan or as specifically determined by Council from time to time.

#### **Delegated authority and responsibilities**

Council will:

- Delegate to the Chief Executive Officer, authority to implement this policy, except where this policy expressly states that Council resolution is required.

The Chief Executive Officer will:

- Be responsible for ensuring that appropriate procedures and controls are in place to safeguard Council's assets. These procedures and controls will be documented within Council's quality assurance programme.

The Group Manager Business Support will:

- Ensure the administration and management of the investments is undertaken in accordance with the procedures contained within Council's quality assurance programme. This includes overseeing monthly reconciliations to the general ledger of the cash and treasury investments and other financial instruments such as LGFA borrower notes. The monthly reconciliation will be independently reviewed in accordance with the procedures contained within Council's quality assurance programme.



**Reporting requirements**

The Chief Executive Officer will:

- Ensure Council is provided with the following reports on investment performance:

Investment types	Frequency	Reporting
New Zealand Local Government Funding Agency Limited	Annually	Other financial instruments invested in the LGFA will be included in the investment report provided as part of the Chief Executive's monthly report to Council.
Investments in other companies and entities	Annually	Investment balances reported as part of the Annual Report. Performance of Council Controlled Entities that have not been exempted under section 7 of the Local Government Act 2002 will be reviewed bi-annually.
Community loans and advances	Annually	Investments reported as part of the Annual Report
Property investments	Annually	Investments reported as part of the Annual Report
Liquid and treasury investments	Monthly	Liquid and treasury investments (including reporting of compliance with approved treasury instruments and approved counterparties), will be included in the investment report provided as part of the Chief Executive's monthly report to Council.
Internal loans	Annually	Investments reported as part of the Annual Report

**Policy review**

The Risk and Assurance Committee will:

- Formally review this policy at least every three years in line with the review of the Long Term Plan.

Council will:

- Receive recommendations from the Risk and Assurance Committee and review and adopt this policy at least every three years in line with the review of the Long Term Plan.

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A Wilcock  
Mayor

\_\_\_\_\_  
D J McLeod  
Chief Executive Officer



Version 5  
Council resolution date: 24 January 2024

## Appendix one

### INVESTMENT POLICY PARAMETERS

#### **New Zealand Local Government Funding Agency Limited (LGFA)**

The Council may invest in shares and other financial instruments of the LGFA, and may borrow to fund that investment.

The Council's objectives in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.

Because of these dual objectives, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA and be a Guarantor.

#### **Investments in other companies and entities**

Equity investments arise from Council owning or controlling an equity holding in another entity. In general, investments in this category have and may be acquired with the primary objective of achieving strategic, efficiency, or community outcomes.

Any purchase or disposition of equity investments requires Council approval. Council will assess the acquisition of any new investments in line with the provisions of this policy. Any profit or loss arising from the sale of these investments is to be recognised in the Statement of Comprehensive Revenue and Expense.

The proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment and then applied to the designated purpose as determined by Council.

Council recognises that there are risks associated with holding equity investments. To minimise these risks Council, through the relevant Council-committee, monitors the performance of its equity investments in Council Controlled Entities (that have not been exempted under section 7 of the Local Government Act 2002) on a twice yearly basis to ensure that the stated objectives are being achieved. Council seeks professional advice regarding its equity investments when it considers this appropriate.

#### **Community loans and advances**

From time to time Council may provide loans and/or advances to community organisations to assist with the achievement of community outcomes. The amounts



involved are typically below \$500,000 and the numbers of applications received (and/or approved) are minimal.

The purpose of such investments is to achieve community outcomes. Council will assess all applications having regard for the legislated purpose of Local Government as set out in the Local Government Act 2002, the need for prudent financial management and after assessing the risk associated with the investment and the security provided by the other party. All such loans/advances will only proceed by resolution of Council.

#### **Property investments for strategic objectives**

Council owns property to achieve its strategic objectives, that is, property that is expected to secure long-term benefits for the community. As a general rule Council will not maintain a property where it is not essential to the delivery of relevant services. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements that could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services.

All rented or leased properties will be at market rentals, except as approved by Council

Any acquisitions or disposals of strategic property require the resolution of Council and any purchased properties must be supported by a current registered valuation, substantiated by management including a fully worked, capital expenditure analysis. Any minor parcels of land purchased for the purpose of roading and utility activities will be affected under the delegation of the Chief Executive Officer.

Net proceeds from the sale of surplus property will be used to reduce borrowings where appropriate, or form part of the reserves of the District, to be reinvested in new assets or the betterment of existing assets for the benefit of the present and future residents of the District. The exception to this is endowment property or other property subject to legislative restrictions, in which case any proceeds would be applied in accordance with the provisions of the legislation.

#### **Liquid and treasury investments**

Council generally operates as a “net borrower”, and aims to manage its borrowings and cash assets on this basis in order to reduce the overall net cost of borrowing. Council does not usually maintain significant cash investments. Longer term investments may be held to support the level of restricted reserves though not for the balance of Council created reserves. To achieve the aim of minimising the overall cost of funds and managing debt re-financing risks, at times it may be prudent to pre-fund, and invest any surplus in treasury investments. Cash investments are also used to maintain and manage liquidity risk. A range of treasury investment instruments may be used as outlined below to achieve the desired level of returns within acceptable risk parameters.

The following policies will apply in making any such investment:

- Council’s primary objective when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties.
- Council invests in approved financial instruments that are of high credit quality and liquid.



- Council's treasury investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due.
- Interest income from investments is credited to general funds, except for income from investments for restricted reserve funds and other funds where interest may be credited to the particular fund.
- For liquidity purposes treasury investments incorporate all investments which are not cash or liquid investments. Liquid investments are defined as those short term funds which are held for operational requirements and/or used to meet liquidity buffer requirements as per the Liability Management Policy.

Each transaction should be entered into a treasury spreadsheet and a monthly report prepared to show assessed counterparty actual exposure versus limits.

**Approved investment instruments**

The approved investment instruments are as follows:

Category	Instrument
Liquid investments	<ul style="list-style-type: none"> <li>• Overnight call deposits and term bank deposits no greater than 30 days</li> <li>• Bank certificates of deposit (RCDs) less than 181 days</li> </ul>
Treasury investments	<ul style="list-style-type: none"> <li>• Term bank deposits no greater than 12 months unless related to debt pre-funding or pre-funded capital expenditure.</li> <li>• Bank certificates of deposit (RCDs) less than 365 days.</li> <li>• LGFA borrower notes</li> </ul>

All investments must be senior in ranking. The following types of investments are expressly excluded;

- Structured debt where the issuing entities are not a primary borrower/issuer
- Sub-ordinate debt (other than Borrower Notes subscribed from the LGFA), junior debt, perpetual notes and hybrid notes such as convertibles.

Interest rate management instruments are not approved instruments for investment management purposes.

Any other treasury instrument must be specifically approved by the Council on a case-by-case basis and only be applied to the one singular transaction.

**Approved counterparties/issuers**

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. Credit exposure for investments relates to funds on deposit where the counterparty is not able to pay Council interest and principal amounts owing on the due date. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument entered into.



Credit risk will be regularly reviewed by the Council. Treasury related transactions would only be entered into with organisations specifically approved by the Council.

Counterparties and limits can only be approved on the basis of a long-term Standard & Poor's (S&P) credit rating (or equivalent Fitch or Moody's rating) being A and above.

The relevant counterparty limits can be found in the Liability Management Policy.

#### **Internal loans**

Council may utilise surplus funds for the purposes of internal borrowing. Internal borrowing forms a part of the overall mix of Council investments (though will only be reported to Council on an annual basis unless otherwise requested). Internal borrowing will be used wherever possible to avoid external borrowing.

Internal loans shall be managed as commercial debt, with interest applied. The interest rate shall be calculated at the start of each financial year, and will be based on the mid-point between the prior year's weighted average external borrowing and investment rates.

#### **Guarantees/contingent liabilities and other financial arrangements**

Council may act as guarantor to financial institutions on loans or enter into financial arrangements for organisations, clubs, Trusts, or Business Units, when the purposes of the loan are in line with Council's strategic objectives. Council approval must be sought for any guarantees or financial arrangements to organisations, clubs, Trusts, or Business Units.

Council is not allowed to guarantee loans to Council-controlled trading organisations under Section 62 of the Local Government Act.

Council will ensure that sufficient funds or available committed bank facilities exist to meet amounts guaranteed. Guarantees given will not exceed any amount agreed by Council or an appropriate Council Committee in aggregate. The Finance and Business Services Manager would be responsible for monitoring and reporting on guarantees on a quarterly basis to Council.

#### **Foreign currency**

Council may from time to time be exposed to foreign exchange risks through the occasional purchase of foreign exchange denominated services, plant and equipment etc. Significant commitments over NZ\$100,000 will be hedged using foreign exchange contracts, once expenditure is approved and legally committed. Both spot and forward foreign exchange contracts can be used by Council.

The following instruments may be used for risk management activity:

<b>Category</b>	<b>Instrument</b>
Foreign exchange risk management	Forward foreign exchange contracts Foreign currency deposits Spot foreign exchange



## 7 Pūrongo me whakatau | Decision Reports

# 7.4 Long-Term Plan 2024-34 Update and transitional options

CM No.: 2807919

### Te Kaupapa | Purpose

The purpose of this report is two-fold. Firstly, it seeks a decision from Council as to continuation of the Long-Term Plan 2024-34 (LTP) for completion by 30 June 2024 or whether it proactively defers the adoption of the Long Term Plan 2024-34 to no later than 30 September 2024. The report also provides an update on progress the overall; Long-Term Plan 2024-34 project, including the upcoming timeframes.

### Rāpopotonga Matua | Executive Summary

Under the Local Government Act 2002 a local authority must have an LTP in place at all times. The structure, timing, information provided, and consultation processes are defined by the legislation. LTPs are audited by the Office of the Auditor-General through Audit NZ, and both Consultation Documents and final LTPs are published with the audit opinion.

The government has announced it will introduce a repeal bill that will restore council ownership and control of water infrastructure and services. To provide flexibility, the repeal legislation will include temporary modifications for the transitional period affecting the 2024 LTPs. Options will be available to have an unaudited Consultation Document and a deferral of the LTP to 30 September 2024 (currently set as 30 June 2024).

Staff recommend the existing programme be continued, with adoption by 30 June 2024 – i.e. the proposed legislative options are not taken up by Council.

### Tūtohunga | Recommendation

That:

1. **The information be received.**
2. **That Council directs the Chief Executive to continue with the current programme for Long Term Plan 2024-34 adoption by 30 June 2024.**

### Horopaki | Background

Council is required to prepare and adopt a LTP under the Local Government Act 2002 (LGA). The Long Term Plan sets out the activities, budgets, Financial Strategy and key financial policies of the Council for the next 10 years and the Infrastructure Strategy for the next 30 years. The LTP is required to be updated every three years, with the last LTP being approved in 2021 (available online <https://www.mpdc.govt.nz/plans/long-term-plan>).

The LTP:

- describes the type of district Council wants to achieve – our vision and community outcomes
- identifies the key projects to take place over the next 10 years
- provides an overview of each activity we will carry out and the services we will provide for the next ten years determines how much this will cost and how it will be funded.

It also provides communities the opportunity to have a say on where Council are heading and to ensure planning is robust. In completing the plan Council are required to do a number of things, including:

- take a sustainable development approach and promote community interests
- carry out our business in a clear, transparent and accountable manner
- operate in an efficient and effective manner, using sound business practices
- take into account community views by offering clear information and the opportunity to present views
- provide opportunities for Māori to contribute to decision making
- collaborate and co-operate with other agencies and councils to achieve desired outcomes.

Under the existing legislation, the LTP must be adopted prior to 30 June 2024. Council is legislatively required to review its Long Term Plan (LTP) every three years, and has been in the process of reviewing its current LTP 2021-31 with a view to developing the LTP 2024-34, and undertaking formal consultation (scheduled for March 2024). This requires development of a CD and supporting information to identify the significant issues for the coming 10 years and proposing options to address these issues.

Key components of the supporting information include the 30-year Infrastructure Strategy (which sets out our approach to looking after existing assets to ensure they continue to meet community needs and providing infrastructure for the future) and Financial Strategy (which sets out our approach to managing our finances over the next 10 years).

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

### Overall project status

The Risk and Assurance Committee and Council have received regular project updates.

A draft LTP has been developed, and initial audit work undertaken. With this in mind, the breakdown of the status of individual work streams is not provided as they have mostly been completed. The remaining stages are: quality assurance, audit and community consultation.

### Reforms

Significant legislative reform has been progressed since the LTP 2021-31 was adopted in June 2021. In particular, the Affordable Waters reform requires transfer of water assets from Council to a regional entity, with an indicative transfer date for Waikato by 1 July 2026.

However, the incoming Coalition government has signalled that it intends to repeal and replace Three Waters reforms. The National Party have put forward its own plan, called “Local Water Done Well” that will effectively put water services back in the hands of local councils.

The Government has announced it will start repealing the legislation in its first 100 days in government. Advice to the sector is that it is unlikely any significant legislative change will be enacted until February 2024 given the parliamentary processes that are required following an election.

The Waka Kotahi NZ Transport Agency board made a decision in September to delay adopting the 2024-27 National Land Transport Programme by two months to the end of August 2024. This was in response to the delay in the release of the draft Government Policy Statement (GPS) on land transport. The Funding Assistance Rates (FAR) has been confirmed but the transport funding priorities may change. This has an impact upon the Infrastructure Strategy and Asset Management Plans as the priorities might change

This lack of clarity, particularly in relation to three waters and transportation, has significant implications for Council’s financial and infrastructure strategies, including debt levels and rates affordability.

Council typically adopts its consultation document and supporting information (following completion of audit requirements) in March, with consultation generally taking place in March-April preceding LTP adoption. In light of the uncertainty noted above, the risk for this LTP is that we complete the audit and adopt a consultation document with information that is then incorrect and based on the wrong legislative assumptions.

Undertaking community consultation on a Long-Term Plan with incorrect information on water management and transport funding priorities will not enable Council to have the right conversation with the community. We don’t want to ask the community for its views when things are likely to change.

These factors combined lead to a degree of uncertainty, which undermines elected members’ ability to make good trade-off decisions. Council also needs to ensure that it is not compromising core services and projects with intergenerational benefits for short term rates reductions.

Taituarā asked Simpson Grierson to provide advice on the risks involved in each of four options that councils could take in the present environment of uncertainty around the timing of water reform. This advice is attached together with a comment on powers to rate in the absence of an LTP and on the implications of the decision in *Fitzgerald vs Muldoon*.

Options available to Council to complete its LTP 2024-34

Cabinet has agreed to introduce a repeal bill that will restore council ownership and control of water infrastructure and services. To provide flexibility for these local circumstances, Cabinet has agreed the repeal bill will include temporary modifications to local government legislation for the transitional period affecting the 2024 LTPs.

A letter from the Minister of Local Government to Mayor Adrienne is attached along with Long-Term Plan guidance for Councils.

Once the bill is passed, these options will be available for councils to use, as appropriate:

<b>If your council is...</b>	<b>Options available</b>
Starting to prepare or consult on long-term planning material that includes water services information – ahead of the repeal bill being enacted	<p><b>The enacted provisions clarify that the council can include water services material in the final plan, without re-consulting, but:</b></p> <ul style="list-style-type: none"> <li>• Must include new/updated information on water services in its final plan – to reflect the continuation of its responsibilities;</li> <li>• Must consider the views and preferences of affected and interested persons as it considers appropriate; and</li> <li>• Does not have to delay the adoption of its long-term plan past 30 June 2024 (in order to provide opportunities for public consultation on its revised proposals).</li> </ul> <p><b>Transitional provisions will also help ensure the risks of future legal challenge (associated with concerns about possible issues in process) will be minimised.</b></p>

If your council is...	Options available
<p>Needing more time to develop and consult on long-term planning material</p>	<p><b>The statutory deadline by which the 2024 long-term plan must be adopted will be extended by three months – to 30 September 2024.</b></p> <p>This flexibility may be desirable to smaller councils with fewer resources, or those councils that would prefer to wait until the repeal legislation is enacted before starting consultation. The deadline for adopting the 2023/24 annual reports will also be extended, to reflect the possible overlap in auditing processes if councils are taking longer than usual to finalise the long-term plan.</p>
	<p><b>Councils will be permitted to have unaudited long-term plan consultation documents.</b></p> <p>This would allow auditing of the final long-term plan to proceed in tandem with consultation, to help achieve statutory deadlines.</p>

Proposed Legislative Options for 2024 LTP	
<b>Repeal implication</b> - LTP disclosures will be restored to what they were in 2021.	
<b>Scope</b> - only available to Councils affected by three waters	
Options for Council	Staff comments on the options
<ol style="list-style-type: none"> <li>1. Standard procedure (Audit of Consultation Document, Final LTP)</li> <li>2. No audit of consultation document</li> <li>3. Defer adoption to no later than 30 September 2024 (<i>note: If we choose this – adoption of annual report is deferred to no later than end of December 2024</i>)</li> <li>4. If you started under the old Act – add in three waters as far as possible</li> <li>5. If you started until the old Act with three waters in - neither LTP nor rates made in reliance are invalid</li> <li>6. Defer LTP until 2025 (still being considered as an legislative option)</li> </ol>	<ol style="list-style-type: none"> <li>1. Three waters is currently included in the LTP, Infrastructure Strategy etc. The standard approach is currently planned for.</li> <li>2. No audit of the consultation document will likely mean audit work is deferred until the final LTP audit. Assumptions and underlying information still requires audit.</li> <li>3. It is preferable to commence the 2024/25 financial year with a new LTP to line up with fees and charges, new Development Contribution charges, and setting rates. It will also impact on audit timing, as the Annual Report is usually audited in August/September for October adoption. This would likely be deferred as audit would be working on the LTP instead at this time.</li> <li>4. This is not applicable as Council has included three waters in the LTP.</li> <li>5. It is noted that if the legislation is not passed by the time the audit opinion on</li> </ol>

Proposed Legislative Options for 2024 LTP	
	<p>the Consultation Document is issued in March 2023 (assuming option 1 is followed) audit may give a qualified audit opinion as the CD is not compliant with existing legislation.</p> <p>6. The LGA requires an LTP is in place at all times. This would likely mean year 4 of the LTP is used in place of the Annual Plan.</p>

**Issues and Options assessment**

There are two options for Council to consider, set out over the following pages.

Option A Continue with the current programme for Long Term Plan 2024-34 adoption by 30 June 2024	
<b>Assessment of advantages and disadvantages</b>	<p><u>Advantages</u></p> <ul style="list-style-type: none"> <li>• Continues with the intended programme as expected by current legislation and the community.</li> <li>• Legislation aiming to be passed in February 2024 which aligns with the audit/CD adoption.</li> <li>• Proposed programme enables dog control and health premises fees and charges can proceed and meet related legislative requirements.</li> </ul> <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> <li>• Significant reform is signalled by the incoming government, which may not be enacted until February 2024 or later. This includes waters reform, resource management reform and other programmes.</li> <li>• Lack of certainty on final transportation funding priorities from Waka Kotahi in time to feed into consultation document and supporting information.</li> <li>• Potential for a qualified audit opinion on the CD if the legislation is not in place before the CD is adopted.</li> <li>• Potentially provides a poor basis of information for community consultation, and may lead to further consultation being necessary on a revised LTP as a result of legislative change (potentially unlikely as legislation exemption is being considered to avoid this).</li> </ul>
<b>Costs</b>	<p>This option is currently being progressed so should not result in additional costs.</p> <p>At the time of writing Council had not received the audit engagement letter or fees which may be impacted by three water reform legislation/changes to the audit scope.</p>
<b>Other implications and any assumptions that relate to this option</b>	<p>There is a risk due to Council not complying with current legislation which requires waters to be removed from the LTP from the date of transfer to the proposed entity.</p> <p>Community confusion may arise from the level of uncertainty on likely scenarios for consultation. It may be challenging to keep the community engaged in a further consultation.</p>

Option B Proceed with an unaudited Consultation Document	
<b>Assessment of advantages and disadvantages</b>	<p><u>Advantages</u></p> <ul style="list-style-type: none"> <li>Provides further time for staff to develop the Consultation Document that would otherwise be taken up with an audit process.</li> </ul> <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> <li>The community does not have confidence of an independent audit opinion on the Consultation Document and underlying information during the consultation phase.</li> <li>No audit of the consultation document will likely mean audit work is simply deferred until the final LTP audit. Assumptions and underlying information still requires audit.</li> <li>Further time would need to be allocated post-consultation/hearings (the time currently allowed for during February 2024 would shift to May-June). The consultation timeframes would need to be shifted earlier to accommodate this or the LTP adoption would need to occur in July-August.</li> <li>Delays in LTP audit may have a flow-on affect for the Annual Report audit timing.</li> </ul>
<b>Costs</b>	Unlikely to significantly change the audit fees and the same/similar audit work will be required for an audit opinion to be issued on the final LTP.
<b>Other implications and any assumptions that relate to this option</b>	This approach has not been used before, so would be new for Audit and Council.

<p><b>Option C</b> Proactively decide to defer the adoption of the Long Term Plan 2024-34 to no later than 30 September 2024, noting that the Schedule of Fees and Charges 2024/25 relating to dog control and registered health premises will require earlier consultation in March 2024 to meet legislative timeframes.</p>	
<p><b>Assessment of advantages and disadvantages</b></p>	<p><u>Advantages</u></p> <ul style="list-style-type: none"> <li>• Likely to have further clarity on legislative changes to inform consultation document and supporting information.</li> <li>• Expected decisions by Waka Kotahi to provide certainty on final transportation funding priorities in time to feed into consultation document and supporting information.</li> <li>• Enables system corrections to be made and tested.</li> <li>• Proactive planning of audit resourcing, and efficient use of their time (reducing the risk of audit fee cost escalation). Informal engagement with auditors indicates support for the deferred programme.</li> <li>• More certainty for community in terms of information and timeframe. Will enable Council to have the right conversation with the community on the key proposals for the LTP and their implications.</li> <li>• Council can still set rates before the first instalment is due, and can adjust payment and penalty dates to align with the deferred programme.</li> </ul> <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> <li>• Does not enable Council to adopt its LTP by the current 30 June 2024 deadline.</li> <li>• May have implications for other processes, such as the Annual Report 2023/24.</li> <li>• May continue to be a level of uncertainty due to legislative reform.</li> <li>• Increased complexity and uncertainty is expected to lead to longer audit timeframes and potential additional costs as a result.</li> <li>• Difficulty in programming audit requirements if our programme is uncertain.</li> </ul>
<p><b>Costs</b></p>	<p>Deferral of the Long Term Plan process to no later than 30 September may give rise to cost implications for the audit.</p> <p>Additional costs may be incurred for re-work, further auditing and further consultation if significant legislative reform is enacted after Council has adopted its consultation document and supporting information.</p>
<p><b>Other implications and any assumptions that relate to this option</b></p>	<p>A deferred programme will mean that Council does not meet its current legislative requirement to adopt the LTP by 30 June 2024.</p> <p>Community confusion may arise from the level of uncertainty on likely scenarios for consultation. It may be challenging to keep the community engaged in a further consultation.</p>

### Related Processes and Decision-Making

Council usually undertakes consultation on its proposed fees and charges for the upcoming financial year concurrently with consultation on its LTP.

There are specific legislative requirements in health regulations and the Dog Control Act 1996 which mean that the fees and charges relating to dog control and health premises registration must be set prior to 30 June annually, and complete required notification and invoicing steps.

This means that if a deferred programme is agreed for the LTP 2024-34, consultation on the proposed fees and charges for dog control and health premises registration should proceed in March 2024. The balance of the proposed fees and charges for 2024/25 could then be consulted on alongside the LTP 2024/34.

Council also usually consults on its proposed development contributions for the upcoming financial year concurrently with consultation on its LTP. It is recommended that consultation remains aligned with LTP timeframes. This means that the development contributions for 2024/25 will not be adopted until 30 September 2024 (at the latest) in the event that a deferred programme is agreed.

Council cannot strike rates until the LTP is adopted. Dates for payment and penalty deadlines can be adjusted to align with a deferred programme (these are set annually in the rates resolution). The first rates instalment is currently scheduled for 25 August 2024.

In the absence of an adopted LTP and rates resolution, there is provision in the Local Government Rating Act for Council to invoice 25% of last year's rates. Once the 2024/25 rates are confirmed Council can invoice at that rating level across the subsequent instalments. This will provide a means of cash flow for Council but likely to result in higher instalments (across instalments 2-4) to make up the difference in rates. This would need to be communicated to ratepayers.

### Staff recommendation

Council staff have discussed with Audit NZ the options available. It is recommended Council follow option 1 – continue with the current programme for the LTP with adoption by 30 June 2024. This is for the following reasons:

- Meets expectations of current legislation and the community.
- Council LTP planning and work is now well advanced.
- Likely to have further clarity on legislative changes to inform consultation document and supporting information in February 2024, which is prior to the audit opinion on the consultation document being issued and public consultation in March-April
- Proactive planning of audit resourcing, and efficient use of their time (reducing the risk of audit fee cost escalation by extending the audit process). Informal engagement with auditors indicates support for progressing with the current timeline.
- Proposed programme enables dog control and health premises fees and charges to proceed and meet related legislative requirements.
- A delay in adopting the Schedule of Fees and Charges 2024/25 would mean that new fees and charges cannot be used until the time of adoption.
- A delay in adopting the development contributions for 2024/25 will mean that the new contributions will not be charged until the time of adoption.
- Council can set rates before the first instalment is due (and before commencement of the 1 July 2024 financial year).
- Any deferral into the 2024/25 financial year may have implications for other processes, such as the Annual Report 2023/24.

- There may continue to be a level of uncertainty due to legislative reform and a delay may not assist greatly.

#### Future Timetable

The timeline for the project centres on key dates for completion of the draft documents in December 2023, auditing in January / February 2024 and consultation in March / April 2024.

The below table provides a summary of key milestones and timelines.

Activity	Dates
<b>First interim visit (initial assessment)</b>	11 December 2023
<b>Council Approval of LTP information - finalising for audit</b> - Council meeting	13 December 2023
<b>Risk and Assurance Committee meeting</b> - To review proposed LTP, supporting information and Consultation Document prior to audit - To receive report back from external reviewer	23 January 2024
<b>Council meeting To adopt proposed LTP, supporting information and Consultation Document for auditing</b>	24 January 2024
<b>Proposed consultation document available for audit</b>	30 January 2024
<b>Second interim visit</b>	30 January to 15 February 2024
<b>Risk and Assurance Committee meeting</b> - to review draft LTP and Consultation Document	12 March 2024
<b>Council meeting</b> - Audit opinion on consultation document to be issued - Council to adopt supporting information - Then adopt Consultation Document	13 March 2024
<b>Public consultation/engagement period</b> - Minimum period of 1 month to be provided	20 March to 21 April 2024
<b>Council LTP hearings of submitters</b>	8-9 May 2024
<b>Council LTP deliberations/decision making</b> - Council meeting	29 May 2024
<b>Final LTP visit</b> - Draft LTP Available for audit	7 June to 14 June 2024 ( <i>to be confirmed</i> )
<b>Proposed LTP for adoption available</b>	14 June 2024
<b>Risk and Assurance Committee meeting</b> - to review final LTP	18 June 2024
<b>Audit opinion on adopted LTP</b> - Council meeting	26 June 2024
<b>Finalised management report on LTP engagement</b>	26 August 2024

### Mōrearea | Risk

Risk management involves the identification and assessment, then avoidance, mitigation or elimination of risks. An LTP risk register has been developed, and has monitored and updated throughout the project.

Risk Assessment:

In relation to the LTP content:

Option	Involves	Risk rating	Risks / Consequences
Waters included in the LTP	Prepare and consult on 'waters in' LTP (from date of transfer) but in manner that does not currently comply with Schedule 1AA LGA	Low-medium	Currently unlawful, but have degree of certainty of as to legislative amendments  Will remove need for LTP amendment (if 'waters out' LTP progressed in interim).  Modified/adverse audit opinion for Consultation Document/LTP if legislation is not passed by date of audit opinion.
Waters out of the LTP	Prepare and consult on 'waters out' LTP - currently complies with Schedule 1AA LGA. Waters can still be discussed in the Infrastructure Strategy.	High	Currently legally compliant.  High level of risk due to likely legislative amendments.
Dual / hybrid option (waters out then put waters in)	Prepare and consult on a dual model ahead of legislative amendment, and then pivot to 'waters in'	Medium	Increased cost (including resourcing implications), potentially better to opt for 'waters in' LTP only.

In relation to the LTP transitional options-

Option	Involves	Risk rating	Risks / Consequences
A - Continue with the current LTP programme	Adoption by 30 June 2024	Low	Legislation change and other Council decisions may affect audit resourcing.

Option	Involves	Risk rating	Risks / Consequences
B - Unaudited consultation document	Defer adoption to no later than 30 September 2024 <i>(note: If we choose this – adoption of annual report is deferred to no later than end of December 2024)</i>	Medium	Timing issue, linked to audit window and adoption date (3 month extension relevant)
C - Delay the LTP process	Defer LTP up to 30 September 2024	High	Timing issue, linked to audit window and adoption date (3 month extension relevant)

### Ngā Whiringa | Options

The options are set out above.

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

The legal considerations have been set out above.

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

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

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

Local Government Act 2002 decision making requirements	Staff/officer comment
Section 77 – Council needs to give consideration to the reasonable practicable options available.	This report provides the Council with an update – options are canvassed above with regards to
Section 78 – requires consideration of the views of Interested/affected people	The LTP is subject to a consultative process
Section 79 – how to achieve compliance with sections 77 and 78 is in proportion to the significance of the issue	The Significance and Engagement Policy is considered above.  This issue is assessed as having a medium level of significance, due to the options for progressing the LTP.
Section 82 – this sets out principles of consultation.	The LTP is subject to a consultative process and these principles will be considered as part of the consultation/communications plan.

**Policy Considerations**

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

**Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement**

The LTP project is one of Council’s key opportunities to engage with our communities to find out what their aspirations and priorities are.

The LTP is subject to the special consultative process under the LGA ([s83](#)). The special consultative process is a minimum one month submission process with a hearing for those who have submitted and wish to speak to their submission.

Further detailed plans on engagement for the LTP consultation period will be brought to Council for consideration early in the New Year.

Formal consultation for the LTP will take place in March-April 2024 as above.

**Ngā take ā-Ihinga | Consent issues**

There are no consent issues.

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

The relevant Community Outcomes are set out below:

<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.	We have positive partnerships with external providers of infrastructure to our communities.
<b>Economic opportunities</b>	We are a business friendly Council	Our future planning enables sustainable growth in our District.	We provide leadership and advocacy is provided to enable our communities to grow.
<b>Healthy communities</b>	Our community is safe, healthy and connected.	We encourage the use and development of our facilities.	We encourage community engagement and provide sound and visionary decision making.
<b>Environmental Sustainability</b>	We support environmentally friendly practices and technologies.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs	We engage with our regional and national partners to ensure positive environmental outcomes for our community.

<b>Vibrant Cultural values</b>	We promote and protect our arts, culture, historic, and natural resources	We value and encourage strong relationships with Iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ ancestral heritage.	Tangata Whenua with Mana whenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.
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### Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

The development of and consultation on the LTP is funded from the Strategy and Engagement Activity Operating budget.

### Ngā Tāpiritanga | Attachments

- A  Minister for Local Government - Letter regarding 3W repeal 
- B  Government announcement – new direction for water services - Long-term plan guidance shared with councils 
- C  Legal advice-Application-of-section-50-LGRA 
- D  Legal advice - LTP process risks and mitigation - December 2023 
- E  Legal advice-Effect-of-Fitzgerald-v-Muldoon-and-LTPs 

### Ngā waitohu | Signatories

Author(s)	Niall Baker <b>Policy Team Leader</b>	
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Approved by	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	
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## Hon Simeon Brown

MP for Pakuranga

Minister for Energy

Minister for Auckland

Minister of Local Government

Minister of Transport

Deputy Leader of the House



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cc. Don McLeod Chief Executive  
Email: [dmcLeod@mpdc.govt.nz](mailto:dmcLeod@mpdc.govt.nz)

Dear Mayor Wilcock

### New direction for water services delivery

This morning I announced that earlier this week Cabinet agreed to repeal the previous government's water services legislation. I also signalled next steps for implementing our plan for water services, Local Water Done Well.

I wish to provide you with further information about three key aspects of our plan, to ensure you have the clarity and certainty you need as you develop your council's 2024-34 long-term plan and prepare for your next financial year:

1. Repeal of the previous government's water services legislation
2. Options to help your council complete its 2024-34 long-term plan
3. Local Water Done Well – key principles of our future direction for water services.

I want to acknowledge that councils across the country are facing multiple challenges, including pressures with water infrastructure. I also want to acknowledge that many councils have done a good job of managing their water infrastructure, and that there is not a one size fits all solution to moving to more financially sustainable water services.

The Government is committed to addressing the longstanding challenges this country is facing with our water services infrastructure.

Our Local Water Done Well approach recognises the importance of local decision making and flexibility for communities and councils to determine how their water services will be delivered in future. We will do this while ensuring a strong emphasis on meeting rules for water quality and investment in infrastructure.

#### 1. Repealing the previous Government's water services legislation

Cabinet has agreed to introduce a repeal bill that will restore council ownership and control of water infrastructure and services. The bill makes the following changes:

- All legislation relating to water services entities will be repealed (Water Services Entities Act 2022, Water Services Entities Amendment Act 2023, and Water Services Legislation Act 2023).
- Previous legislation related to the provision of water services will be reinstated (including local government legislation). This will restore continued council ownership and control of water services, and responsibility for service delivery.

[Private Bag 18041, Parliament Buildings, Wellington 6160 New Zealand](#)

- The Northland and Auckland Water Services Entity (the only entity that had been legally established under the Water Services Entities Act 2022) will be disestablished and any outstanding work on the entity’s set-up will cease.
- Councils will need to add and integrate information about water services into their 2024 long-term plans. Some transitional support options are available to assist you (below).

The repeal bill is expected to be introduced in February 2024 and enacted as soon as possible.

**2. Options to help your council complete its 2024-34 long-term plan**

I have heard that councils are seeking legislative certainty for your 2024-34 long-term plan and are seeking direction and support for how to continue to plan for and finance water services.

I am also conscious that different councils will have different needs and preferences and will be at various stages of developing their long-term plans.

To provide flexibility for these local circumstances, Cabinet has agreed the repeal bill will include temporary modifications to local government legislation for the transitional period affecting the 2024 long-term plans. Once the bill is passed, these options will be available for councils to use, as appropriate.

I recognise a few councils are preparing an unaudited three-year plan, with a focus on cyclone recovery, rather than a standard 10-year plan. As such, some of the proposed modifications may be less relevant to you.

If your council is...	Options available
<p><b>Starting to prepare or consult on long-term planning material that includes water services information – ahead of the repeal bill being enacted</b></p>	<p><b>The enacted provisions clarify that the council can include water services material in the final plan, without re-consulting, but:</b></p> <ul style="list-style-type: none"> <li>• Must include new/updated information on water services in its final plan – to reflect the continuation of its responsibilities;</li> <li>• Must consider the views and preferences of affected and interested persons as it considers appropriate; and</li> <li>• Does not have to delay the adoption of its long-term plan past 30 June 2024 (in order to provide opportunities for public consultation on its revised proposals).</li> </ul> <p><b>Transitional provisions will also help ensure the risks of future legal challenge (associated with concerns about possible issues in process) will be minimised.</b></p>

If your council is...	Options available
<p><b>Needing more time to develop and consult on long-term planning material</b></p>	<p><b>The statutory deadline by which the 2024 long-term plan must be adopted will be extended by three months – to 30 September 2024.</b></p> <p>This flexibility may be desirable to smaller councils with fewer resources, or those councils that would prefer to wait until the repeal legislation is enacted before starting consultation.</p> <p>The deadline for adopting the 2023/24 annual reports will also be extended, to reflect the possible overlap in auditing processes if councils are taking longer than usual to finalise the long-term plan.</p> <hr/> <p><b>Councils will be permitted to have unaudited long-term plan consultation documents.</b></p> <p>This would allow auditing of the final long-term plan to proceed in tandem with consultation, to help achieve statutory deadlines.</p>

**3. Local Water Done Well – key principles of our future direction for water services**

With Local Water Done Well we are going to do things in a way that recognises the importance of local decision making and flexibility for communities and councils to determine how their water services will be delivered in future. We will do this while ensuring a strong emphasis on meeting rules for water quality and investment in infrastructure.

We want to enable councils and communities to determine what works best for them, while establishing clear expectations and bottom lines.

Key principles of our future plan for the delivery of water services include:

- Introducing greater central government oversight, economic and quality regulation.
- Fit-for-purpose service delivery models and financing tools, such as improving the current council-controlled organisation model and developing a new class of financially separate council-owned organisation.
- Setting rules for water services and infrastructure investment.
- Ensuring water services are financially sustainable. Financial sustainability means revenue sufficiency, balance sheet separation, ring-fencing and funding for growth.

I intend to work with all councils on the development of our Local Water Done Well policy to ensure it reflects your local needs and circumstances.

I look forward to working with you in the New Year to refine our approach to water services delivery.

Yours sincerely,



Hon Simeon Brown  
**Minister of Local Government**

**Attachment: Long-term plan information shared with councils (FYI)**

**Options to help councils complete their 2024-34 long-term plans**

*Councils are seeking legislative certainty for their 2024-34 long-term plans and are seeking direction and support for how to continue to plan for and finance water services.*

*Different councils will have different needs and preferences and will be at various stages of developing their long-term plans.*

*To provide flexibility for these local circumstances, Cabinet has agreed the repeal bill will include temporary modifications to local government legislation for the transitional period affecting the 2024 long-term plans. Once the bill is passed, these options will be available for councils to use, as appropriate.*

*A few councils are preparing an unaudited three-year plan, with a focus on cyclone recovery, rather than a standard 10-year plan. As such, some of the proposed modifications may be less relevant to them.*

If your council is...	Options available
<p><b>Starting to prepare or consult on long-term planning material that includes water services information – ahead of the repeal bill being enacted</b></p>	<p><b>The enacted provisions clarify that the council can include water services material in the final plan, without re-consulting, but:</b></p> <ul style="list-style-type: none"> <li>• Must include new/updated information on water services in its final plan – to reflect the continuation of its responsibilities;</li> <li>• Must consider the views and preferences of affected and interested persons as it considers appropriate; and</li> <li>• Does not have to delay the adoption of its long-term plan past 30 June 2024 (in order to provide opportunities for public consultation on its revised proposals).</li> </ul> <p><b>Transitional provisions will also help ensure the risks of future legal challenge (associated with concerns about possible issues in process) will be minimised.</b></p>
<p><b>Needing more time to develop and consult on long-term planning material</b></p>	<p><b>The statutory deadline by which the 2024 long-term plan must be adopted will be extended by three months – to 30 September 2024.</b></p> <p>This flexibility may be desirable to smaller councils with fewer resources, or those councils that would prefer to wait until the repeal legislation is enacted before starting consultation.</p> <p>The deadline for adopting the 2023/24 annual reports will also be extended, to reflect the possible overlap in auditing processes if councils are taking longer than usual to finalise the long-term plan.</p> <p><b>Councils will be permitted to have unaudited long-term plan consultation documents.</b></p> <p>This would allow auditing of the final long-term plan to proceed in tandem with consultation, to help achieve statutory deadlines.</p>

*Councils have been operating in a period of uncertainty and complexity for some time, and may be seeking additional options with respect to their long-term planning obligations. Updates will be provided as any further decisions are made.*



## Our advice

<b>Prepared for</b>	Raymond Horan, Taituarā
<b>Prepared by</b>	Mike Wakefield, Jonathan Salter and Liam Stevens
<b>Date</b>	17 November 2023

### The application of section 50 of the Local Government (Rating) Act 2002

#### Background and advice sought

A local authority cannot set rates for the 2024/2025 financial year until it has adopted the LTP, because section 23 of the Local Government (Rating) Act 2002 (**Rating Act**) requires rates to be set in accordance with the funding impact statement and other provisions in the adopted LTP.

The uncertainties arising from the proposed repeal of water reform legislation could give rise to delays in adopting LTPs, in some cases until well after 30 June 2024. For this reason the application of section 50 of the Rating Act is being considered. This little-used provision authorises the issuing of a one-off invoice for up to 25% of previous year's rates in certain circumstances.

You have sought advice in relation to the application of section 50 of the Rating Act.

#### Summary of advice

When section 50 of the Rating Act is available and how it works varies depending on whether a local authority has set rates for the year.

A Council resolution is required to authorise invoices under section 50 of the Rating Act.

The ability to send an invoice for (up to) 25% of the previous year's rates as provided in section 50 is limited to those rating units that were assessed for rates in the previous financial year.



## Reasoning explained

### Explanation of how section 50 works and timing requirements

1. Section 50 of the Rating Act states:
  - (1) A local authority may deliver a rates invoice for not more than 25% of the rates that are payable in the previous year if it is not able to deliver a rates assessment at least 14 days before—
    - (a) the date on which the first payment of rates for the current year is payable in a case where the rates have been set by resolution of the local authority under section 23; or
    - (b) the date 1 calendar year after the date when the first payment of rates for the previous year was payable in a case where no resolution has been made under section 23.
  - (2) A rates invoice delivered under subsection (1) must comply with section 46(2), except that, instead of the information required by paragraphs (d) and (e) of that section, the rates invoice must state that the invoice is based upon the rates payable in the previous year.
2. Rates are not payable until they are invoiced, and normally rates cannot be invoiced unless and until the relevant rates assessment for the year has been delivered. However, section 50 allows for an exception: in certain circumstances, the invoiced rates can be based on the previous year's rates. The purpose of section 50 is to provide a means by which local authorities can continue to receive rates revenue even though there may be some delay in the normal rate setting process.
3. Section 50(1) deals with two scenarios: depending on whether rates have or have not been set under section 23. We explain these as follows:
  - 3.1 Where the 2024/25 rates have been set (and therefore the instalment dates have been determined), section 50 can only be used if a council is unable to deliver rates assessments at least 14 days before the first instalment date. [By way of example, if the Council is in a position to adopt the LTP and set rates on 31 July 2024 with a due date for the first instalment of 20 August 2024, but logistically cannot issue rates assessments until 15 August, section 50 could apply. However, this situation could be managed by the rates resolution setting the first instalment date on a date that is 14 days after the assessments could be delivered (then invoices would be issued in the normal way)]
  - 3.2 Where the 2024/25 rates have not been set, section 50 can be used if a council is unable to deliver rates assessments by the date that is 14 days before the date 1 year after the 2023/24 rates were payable. [By way of example, if the 2023/24 rates resolution specified 24 August 2023 as the due date for the first instalment (or the due date for all rates if there were no instalments), the relevant date would be 10 August 2024. At the point where a Council identifies that it will not have set rates by 10 August 2024,

**The process for  
invoicing rates  
using section 50 of  
the Rating Act**

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it could resolve to issue invoices under section 50 on or after that date.

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4. Section 50 relates only to invoicing of rates, and not to rates setting or assessing. The 2024/25 rates will be set and assessed, in due course, in the normal way.
  5. So long as the timing prerequisites referred to above are met, the section 50 invoice may be delivered irrespective of the rates which are or will be set and assessed for 2024/25.
  6. While there is no express requirement in the Rating Act for councils to resolve to send the section 50 invoice for up to 25% of the previous year's rates, a resolution is required to provide clear authorisation for council officers to issue the invoices. There are related decisions that it would be necessary for a council to make, for instance about whether the invoice should be for 25% or less of last year's rates and the due date for payment. The usual reporting and meeting processes would apply to the resolution.
  7. A council does not need to prepare a special "funding impact statement" for the generation or sending of the section 50 invoice. That is because the invoice is simply based on the previous year's rates (rather than any information that would be found in the funding impact statement - and which relates to the setting of the rates).
  8. The invoice is delivered to the ratepayer in the normal way. The only other requirements relate to the content of the invoice, as compared to the content of a normal rates invoice. In this regard, section 50(2) says that the section 50 invoice must comply with section 46(2) of the Rating Act – which sets out what information should be included in a rates invoice – except that:

... instead of the information required by paragraphs (d) and (e) of the section, the rates invoice must state that the invoice is based upon the rates payable in the previous year.
  9. Paragraphs (d) and (e) of section 46(2) are as follows:
    - (d) the total amount of rates payable for the financial year for the rating year;
    - (e) the amount of rates that have been paid to date for the financial year.
  10. Accordingly, the section 50 rates invoice will not set out the total rates for the 2024/25 year nor the rates paid to date in the 2024/25 year. Instead, it will state that "the rates are based upon the rates payable in the 2023/24 year".
  11. In all other respects the invoice is the same as any "normal" section 46
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	rates invoice.
<b>Penalties</b>	<p>12. There are two types of penalties: penalties on rates that are unpaid after the due date in the current year (<b>instalment penalties</b>) and penalties on rates unpaid from previous years (<b>arrears penalties</b>).</p> <p>13. Section 57 of the Rating Act requires the penalty resolution to be made no later than the date the rates are set. This means the resolution can be made before the rates setting resolution. There is no doubt that, if the appropriate resolution under sections 57 and 58 is made, arrears penalties can be added in 2024/25 even if the rates for that year have not yet been set.</p> <p>14. However, there is some doubt about the ability to add instalment penalties to a section 50 invoice. This is because the instalment penalty provision refers to a “penalty on rates <b>assessed</b> in the financial year for which the resolution is made”. As section 50 rates are technically not “assessed”, there is the possibility that a penalties added to those invoices could be successfully challenged. However, the alternative position is arguable and there is no clear policy reason why penalties ought not to be authorised.</p>
<b>New rating units</b>	<p>15. The ability to send an invoice for 25% of the previous year’s rates provided for in section 50 is limited to those rating units that were actually assessed for rates in the previous financial year.</p> <p>16. That is because section 50 refers to the delivery of a rates invoice “based upon the rates payable in the previous year”. For rating units that are new (e.g., subdivided from an existing rating unit) there were no rates payable in the previous year, so section 50 does not apply.</p> <p>17. In practical terms, this means that the invoice should be sent in respect of all rating units that were assessed for rates in the 2024/25 year (and in respect of which rates were payable). Any revaluation will have no effect (because the invoice is simply for 25% of the previous year’s rates). Of course, to the extent that ratepayers have changed (e.g., through the sale of a rating unit), then the invoice should be sent to the current ratepayer.</p>
<b>Setting and assessing ‘normal’ rates when section 50 invoice has been sent</b>	<p>18. If a council sends rates invoices under section 50 of the Rating Act, this will evidently result in the receipt of revenue from ratepayers that is not directly connected to the setting and assessing of “normal” rates in respect of the 2024/25 rating year.</p> <p>19. Payments should be recorded in the rate records as rates paid for the 2024/25 year.</p>

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- 20. The balance of 2024/25 rates will be recovered through the remaining “normal” instalments as equal instalments (with the due dates as resolved in the rate setting resolution).
  - 21. New rating units will obviously have the full amount of the 2024/25 rates payable over the remaining instalments (because those rating units will not have been invoiced under section 50).
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**Please call or email  
to discuss any  
aspect of this  
advice**

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## Our advice

<b>Prepared for</b>	Raymond Horan, Taituarā
<b>Prepared by</b>	Mike Wakefield and Jonathan Salter
<b>Date</b>	30 November 2023

PRIVILEGED AND CONFIDENTIAL

### Long Term Plan preparation in the context of the enacted Affordable Water Reform legislation: risk assessment and mitigation options

<b>Background</b>	<p>All local authorities are<sup>1</sup> currently in the process of preparing long-term plans (LTPs) for adoption by no later than 30 June 2024, as required by section 93 of the Local Government Act 2002 (LGA).</p> <p>The LGA prescribes the content of a LTP, and specifies the process by which a LTP is to be developed, consulted on and then adopted.</p> <p>The preparation of a LTP is currently subject to the provisions in Part 6 of Schedule 1AA of the Local Government Act 2002, which were inserted by the Water Services Entities Amendment Act 2023 (WSEAA). The effect of the provisions inserted by the WSEAA is to specify certain mandatory LTP content requirements, that relate to the Affordable Water Reforms (<b>mandatory content requirements</b>).</p> <p>In summary, the mandatory content requirements require specific disclosures, and prohibit the inclusion of water services related content for certain periods. For those territorial authorities in a service area of a water services entity with an establishment date of 1 July 2024, water services content is precluded entirely (clause 27), whereas for all other territorial authorities, the exclusion applies for the third and subsequent years (clauses 28 and 32).</p> <p>Taituarā is currently engaging with the Department of Internal Affairs (DIA) in relation to potential transitional statutory amendments to the Schedule 1AA provisions, and it is expected that a briefing with the incoming relevant Minister is imminent.</p> <p>While the Government has committed to a repeal of the Labour governments Three Waters legislation (being the Affordable Water Reforms),<sup>2</sup> at this time there is no certainty around whether the Schedule 1AA provisions will be</p>
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1 We note that at least two are considering or proposing to not prepare a LTP for the 2024-27 years, and instead wait until 2027 before adopting their next LTP.  
2 As recorded in National's 100 Day Action Plan, and the related coalition agreements with the ACT and NZ First parties

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amended, or separately repealed, to remove the mandatory content requirements for the 2024-27 LTPs. The recently announced 100-day plan intends to “Introduce legislation to repeal the Water Services Entities Act 2022”, but does not go as far as saying that there will be a complete repeal within the first 100 days.

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**Advice requested** What options exist for the preparation of a LTP in light of the Schedule 1AA provisions and mandatory content requirements, and what risks and/or mitigation options exist for local authorities?

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**Summary answer** In our view, there are four options available to affected local authorities, all of which will carry some risk unless transitional statutory amendments are enacted ahead of the adoption of a LTP, or which will validate actions taken by local authorities in compliance with the law at applicable times. There is no one option that will likely work for all Councils, given the diverging funding and capacity constraints.

The risks associated with the various options differ, ranging from litigation risk through to audit and community / political perception.

Given the recent announcements from the new Government, it may be considered preferable to wait for clarity in terms of how the promised repeal of the Affordable Water Reform legislation will be progressed, and on what timetable. That said, pre-arranged audit timing and the need to initiate public consultation may force Councils to notify draft LTPs and consultation documents ahead of any legislative repeal.

With this in mind, our view is that there are two preferred options – which cater separately for different funding and capacity constraints. Those are:

- For local authorities that do not have funding or capacity to prepare for consultation on a ‘waters in’ basis, they should continue to prepare their LTPs on the basis of the current legislative requirements (**waters out**).
  - For local authorities that do have the funding and resource capacity, to prepare a dual (or hybrid) LTP and consultation document, which can be adjusted to either a ‘waters in’ or ‘waters out’ LTP for adoption (**dual option**).
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**Please call or email to discuss any aspect of this advice**

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Reasoning explained

Four options identified

1. In summary, the four options are:

	Approach	Comment
A	Prepare and consult on a draft LTP that complies with the current legislative requirements ( <b>waters out</b> ).	This approach will be legally correct, and cannot be criticised or challenged.  However, it is contrary to the new Government’s intentions, and will be out of step with community expectations post-election.
B	Prepare and consult on a draft LTP that does not comply with the current legislative requirements ( <b>waters in</b> ).	This approach is prima facie unlawful, and contrary to the principle established in <i>Fitzgerald v Muldoon</i> [1976] 2 NZLR 615.  However, it is consistent with the new Government’s policy intentions, and will be aligned with community expectations post-election.
C	Wait until Schedule 1AA (at least) is amended, and then consult on a draft LTP that includes water services content ( <b>delay</b> ).	Conditional on the Schedule 1AA provisions being repealed ahead of consultation, this approach will be legally correct and cannot be challenged.  The timing however is unclear, and may lead to process or funding issues.
D	Prepare and consult on a dual (or hybrid) LTP and consultation document, which can be adjusted to either a ‘waters in’ or ‘waters out’ LTP ahead of adoption, once there is certainty as to the shape of legislative amendments ( <b>dual option</b> ).	Until legislative amendments are enacted, the ‘waters in’ approach will be prima facie unlawful.  However, as with Option B, the inclusion of water services content is consistent with the new Government’s policy intentions, and will be aligned with community expectations post-election.

2. We set out below the risks and mitigation options for each.

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- Option discounted**
3. We are aware that some councils are considering making a decision to not prepare a LTP for the 2024-27 period.
  4. While the current uncertainty is frustrating, in our view deciding to not prepare and adopt a LTP in 2024 would create a high degree of legal, funding, operational process and community/political risk for local authorities. It would also likely lead to further uncertainty for communities.
  5. From a legal standpoint, if no LTP is adopted within the statutory timeframe prescribed by section 93(3) of the LGA, there will be no LTP in force. This would have a flow-on impact on the ability for councils to set and collect rates, undertake new (or potentially planned) activities, alter service levels, and provide a general basis for accountability with communities for their activities. It would also mean that there would be no LTP to amend, were there a requirement to do so to accommodate any new water reform legislation enacted by the Government. In effect, a new LTP will need to be adopted at some point which will be out of step with the legislative regime.
  6. In addition, making a deliberate public decision to not prepare and adopt a LTP in 2024 may be significantly less likely to attract any form of validation via legislative amendments enacted by the new Government, as it is overtly in breach of the existing requirements of the LGA, rather than only the Schedule 1AA mandatory content requirements (which restrict the ‘waters in’ option, but align with the Government’s policy intentions).
  7. This option could also result in potential Ministerial interest, and consideration of the powers available to the Minister under Part 10 of the LGA (for perceived “problems”, as defined in section 256 of the LGA).
  8. We are also aware that other councils, who are subject to the Severe Weather Emergency Recovery (Local Government Act 2002—Long-term Plan) Order 2023, are able to prepare a LTP that covers a period of not less than 3 consecutive financial years. This 3-year modification remains subject to the mandatory content requirements, and so we have not considered this another option.

**Option A: waters out**

**Risks**

9. In the event that a local authority prepares a compliant consultation document and draft LTP, and then publicly consults prior to the enactment of any legislative amendments, there will be no litigation risk, as those acts would have been in compliance with the current legal requirements. As a result, there will be no litigation risk for those steps.
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10. However, if legislative amendments are passed and enacted during consultation, and before adoption of the LTP, then this may lead to at least process, and potentially litigation, risk for a local authority.
  11. The process risk would arise from the expectation that the LTP, when adopted, would comply with the LGA following amendment (ie. the former status quo, waters in, position). Due to funding, resourcing and timing constraints it may simply not be possible for local authorities to pivot post-consultation and adopt a LTP that includes water services content.
  12. In addition, if a LTP was adopted after the mandatory content requirements were repealed, then the adoption would be prima facie unlawful. This could lead to litigation risk.
  13. In any case, given the new Government's policy intentions, if a waters out LTP was prepared and adopted, it would be inevitable that the LTP would need to be amended to reflect the ongoing delivery of water services by territorial authorities. This would be by, at worst, 30 June 2026, for those Council's with a foreshadowed establishment of 1 July 2026.
  14. We note that there is no immediate statutory trigger for a LTP amendment, unless the Government includes provision for that. The need for a LTP amendment could, however, be highlighted in an annual report audit and, for the Northland territorial authorities in particular, the issue of presumably having to rate for water service delivery from 1 July 2024, which may require a LTP amendment unless another rating mechanism can be relied on.
  15. This situation could lead to political and community risks, but in our view these are not significant in this context due to the manifest compliance with the relevant law at the time of consultation.

#### Mitigation

16. The mitigation options for Option A are legislative. Transitional amendments will be needed to validate existing (waters out) consultation, or to validate the adoption of a (waters out) LTP.
17. If the Schedule 1AA provisions are repealed without any provisions that validate these actions, then there may be an expectation that the LTP is amended to reinstate water services content<sup>3</sup> (but no strict legal requirement, unless one is enacted). There could be some potential for

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<sup>3</sup> And to address any material changes to other activities that are consequent on the continued service, debt and funding responsibility for water services.

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a modified process to be developed to expedite this process (which could involve an unaudited LTP and consultation document, and reduced consultation period), but this would require further amendments to the LGA, and there have been no such indications from the new Government.

18. We note for completeness that Tauranga City Council has already prepared its consultation document to align with Option A, which has received a satisfactory report from the Auditor.

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**Option B: waters in Risks**

19. There are two key risks with Option B: audit and legal.
20. The audit risk arises from the potential for an adverse audit report under sections 93D(4) and 94, based on the non-compliance with the mandatory content requirements. On this point, it is relevant to note that the Tauranga City Council has received a satisfactory audit report for its 'waters out' consultation document.
21. Option B will be vulnerable to legal challenge, due to the principle established in *Fitzgerald v Muldoon* [1976] 2 NZLR 615. In *Fitzgerald v Muldoon*, an individual sought a declaration from the High Court that certain public statements made by the incoming Prime Minister were illegal. These statements related to the immediate cessation of superannuation payments and the repeal of the New Zealand Superannuation Act 1974.
22. In granting a declaration that the Prime Minister's statements were unlawful, having been made without any change to the law by Parliament, the Court held that "the sovereignty of Parliament is such that it has the right to make and unmake laws and no person or body is recognised as having the right to override or set aside the legislation of Parliament."<sup>4</sup>
23. While, in this instance, the new Government has announced that it will repeal the Affordable Water Reform legislation, this has not yet been progressed or even timetabled.
24. Until the enactment of legislation which repeals the mandatory content requirements, formally consulting on and adopting an LTP in a way that ignores those requirements will be in breach of the LGA and offend against the principle established in *Fitzgerald v Muldoon*.
25. There would therefore be a high degree of risk of judicial review or

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<sup>4</sup> *Fitzgerald v Muldoon* [1976] 2 NZLR 615 at 40.

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declaration proceedings being lodged in the High Court that challenge the validity of an LTP either consulted on or adopted in such circumstances.

26. In reliance on *Fitzgerald v Muldoon*, the High Court may well find that the actions of the offending local authority were unlawful, but the grant of substantive relief may be unlikely. The reason we say this is that in *Fitzgerald v Muldoon* the Court considered that the inevitability (or likelihood) of repeal of the New Zealand Superannuation Act 1974 was such that requiring the reinstatement and back payment of employee contributions and deductions was not proportionate. Instead, the Court exercised discretion to not grant relief, and instead placed the proceedings on hold for a period of six months (to allow the legislative amendments to proceed).
27. In our view, a similar approach would be likely here, with the Court open to finding that the likelihood of repeal means that no substantive relief should be immediately granted. From a timing perspective, it would also be unlikely for any judicial review to be heard and determined before adoption by 30 June 2024, unless it was heard under urgency.

#### Mitigation

28. The mitigation options for Option B are legislative. Transitional amendments could be introduced to validate any existing (waters in) consultation (even though the legal risk is low), or validate any (waters in) LTP adopted prior to the legislative amendments.
29. There is also scope for audit relief, or specific provisions to address the content of the audit report, which may be needed in any case due to the uncertainty surrounding the current mandatory content requirements.
30. Overall, early and clear Government announcements to address both the audit and process (legal) risks will be needed, if Option B is to be relied on.

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#### Option C: delay

#### Risks

31. The primary risk with Option C is that while the Government's repeal intentions have been clarified, the required legislative amendments are not progressed as a matter of urgency. The recently announced 100-day plan does not provide any certainty as to timing, and leaves the possibility that the repeal will not be within the first 100 days.
  32. If the amendments are not progressed until well into the new year, then the status quo legal uncertainty will remain (outlined in Options A and
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B).

- 33. This could be addressed through an extension to the date by which a LTP must be adopted, but that will bring with it additional risks, including in relation to delayed rate setting.
- 34. The financial impact of delayed rate setting, or even process issues arising from section 50 of the Local Government (Rating) Act 2002, could be highly problematic.
- 35. Depending on how long any delay is for LTP adoption, there is the potential to affect local authority cash flow (which is damaging to communities as it could either disrupt services or make them more expensive), and it could also result in a condensed period for the collection of rates after the LTP is adopted (ie. rates collected at higher amounts due to the delay).

**Mitigation**

- 36. The only obvious mitigation is to seek clarity from the new Government around the timing, and approach, to legislative amendments. If it is clear that the mandatory content requirements can be repealed before a local authority plans to consult on its draft LTP, then this may provide sufficient confidence that delay is the best option to take.

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**Option D: dual Risks**  
**option**

- 37. Option D engages the risks outlined in both Option A and B, but mitigates those risks by allowing scope to pivot in either direction.
- 38. The key challenge will be preparing a consultation document that sufficiently complies with the mandatory content requirements for audit purposes, despite the prima facie non-compliance with the water services content restrictions.

**Mitigation**

- 39. As with the other options the best form of mitigation will be legislative amendments, but for Option D – given that a dual LTP is being prepared – a reversion to the former legal provisions will allow the LTP to advance and be adopted in manifest compliance with the law.

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**Final comment**

- 40. We are aware that some local authorities are not in a position to be able to pivot to a waters in approach (for various reasons). Given that there will be a mix of approaches, this will not make lobbying the Government, or achieving a simple repeal easy.
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41. In our view some form of legislative validation will be desirable – for actions already taken, or to authorise (but not require) the inclusion of water services content at a later date.
  42. We also note that, once the substantive replacement of the Affordable Water Reform legislation is enacted, there may be a further need to amend LTPs to align with whatever the new legal requirements may be. This could be relevant for the 2027 LTPs, but may require more immediate steps to amend LTPs (particularly in the case of those territorial authorities in Auckland and Northland that are precluded, currently, from including any water services content).
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**To** Raymond Horan, Chief Adviser, Taituarā **25 October 2023**  
**From** Jonathan Salter, Mike Wakefield and Liam Stevens  
**Subject** The effect of *Fitzgerald v Muldoon* on the development of a local authority's long term plan

1. This memorandum provides an overview of *Fitzgerald v Muldoon* [1976] 2 NZLR 615 and the effect that the case has on local authorities in the development of their long-term plan 2024 (LTP).

#### **FITZGERALD V MULDOON**

2. In 1974, the newly elected Prime Minister, Rob Muldoon, made a press release announcing the abolition of the superannuation scheme established by the previous Government under the New Zealand Superannuation Act 1974. In the press release, the Prime Minister stated that the Government would enact retrospective legislation to remove the compulsory requirement for employer contributions to the scheme and employee deductions from pay. The Prime Minister stated that this change was effective immediately, despite there being no legislation enacted to repeal the New Zealand Superannuation Act 1974.
3. After becoming aware of the Prime Minister's statement, the Superannuation Board did not take any action under the New Zealand Superannuation Act 1974 to enforce the payment of deductions and contributions from salaries and wages.
4. An individual sought a declaration from the High Court that these actions were illegal. In granting a declaration that the Prime Minister's statement was illegal, the Court found that it had the illegitimate effect of suspending the New Zealand Superannuation Act 1974. The Court held that "the sovereignty of Parliament is such that it has the right to make and unmake laws and no person or body is recognised as having the right to override or set aside the legislation of Parliament."<sup>1</sup>
5. The judgment has been cited with approval in subsequent cases, including by the Supreme Court, and is now regarded as part of New Zealand's constitutional law.

#### **WHAT IMPACT DOES FITZGERALD V MULDOON HAVE ON THE PREPARATION OF LOCAL AUTHORITIES LTP?**

6. All New Zealand local authorities are in the process of preparing the LTPs for adoption by 30 June 2024, as required by section 93 of the Local Government Act 2002 (LGA). The Water Services Entities Amendment Act 2023 inserted into the LGA mandatory LTP content provisions relating to the Affordable Water Reform (**mandatory content requirements**). The mandatory content requirements expressly require specific disclosures and prohibit certain water services related content.

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<sup>1</sup> *Fitzgerald v Muldoon* [1976] 2 NZLR 615 at 40.



7. The National Party has signalled the intention to repeal the Affordable Water Reform legislation. In reliance on this, some local authorities are considering consulting on and adopting LTPs that do not comply with the mandatory content requirements.
8. Until the enactment of legislation which amends the LGA by repealing the mandatory content requirements, formally consulting on and adopting an LTP in breach of them will directly contravene the current provisions of the LGA and offend against the constitutional principle in *Fitzgerald v Muldoon*.
9. Judicial review or declaration proceedings in the High Court challenging the validity of an LTP adopted in such circumstances are highly likely to succeed in reliance on *Fitzgerald v Muldoon*. It is also likely that the Office of the Auditor-General would find this situation problematic in relation to its reporting under sections 93D(4) and 94 of the LGA.
10. In the circumstances, we are committed to assisting you in lobbying for the earliest possible enactment of legislation which removes this constitutional problem and enables local authorities to consult appropriately with their communities.

7 Pūrongo me whakataua | Decision Reports

## 7.5 Approval for Audit of Draft Consultation Document for the Long Term Plan 2024-2034

CM No.: 2812557

### Te Kaupapa | Purpose

The purpose of this report is to present the draft Long Term Plan 2024-34 Consultation Document for Council to approve for audit.

### Rāpopotonga Matua | Executive Summary

The Consultation Document is prepared based on guidance received through Council decisions throughout 2023. It presents information from other key supporting Long Term Plan (LTP) documents, such as matters from the Infrastructure Strategy.

The purpose of the Consultation Document is to provide key information to communities, and to encourage them to share their views on the most significant issues and choices facing Council, allowing their views to be considered in the LTP decision making process.

Following adoption for audit of the Draft Consultation Document content the document will go to audit for their review. Staff will make changes based on feedback from the auditors, and then the document will be templated/ designed to make it more engaging.

At the 12 March meeting, the Committee will receive the draft auditor's opinion and be requested to recommend the adoption of the Consultation Document by Council (scheduled to occur on 13 March 2024).

Council will receive public submissions between March-April 2024, and hold hearing and deliberations in May 2024, before adopting the final LTP in June.

Attachments will be circulated under separate cover.

### Tūtohunga | Recommendation

That:

1. Council receives the report.
2. Council approves for auditing, the content of the draft Long-term Plan 2024-34 Consultation Document.
3. Council notes the Consultation Document will be reported back to Council in March, for adoption (for public consultation) and issue of Audit opinion.

### Horopaki | Background

The purpose of a LTP is to:

- (a) describe the activities of the local authority; and
- (b) describe the community outcomes of the local authority's district; and
- (c) provide integrated decision-making and co-ordination of the resources of the local authority; and
- (d) provide a long-term focus for the decisions and activities of the local authority; and
- (e) provide a basis for accountability of the local authority to the community

An LTP is prepared every three years, covers ten years (and includes an Infrastructure strategy that covers 30 years), must include specific information described in the Local Government Act 2002, must be audited, and can only be adopted after a period of public consultation on a consultation document which itself also needs to be audited.

The consultation document is an important milestone in the development of the 2024-34 Long-term Plan. It sets out our broad direction over the next ten years, with a focus on the next three, how much that will cost, and the effects we will achieve. It asks the public to provide their views on key issues facing Council. It is the legal basis for consultation on the Long-term Plan and must be audited by Audit New Zealand.

The consultation document for an LTP must be presented in as concise and simple a manner as possible, while still achieving its purpose. It must not be a draft LTP and must not include a full version of any of the draft supporting documents. It must clearly show to affected communities, using graphs and charts where appropriate, what is changing, with a particular focus on rates and debt levels.

Council must include a preferred option for any topic on which it is seeking community views and cost its budget to that option. Council will be asked to adopt the consultation document only after having adopted all the supporting information.

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

The story for this Consultation Document is: **balancing affordability and looking after our assets**

Main driver for this plan has been: **affordability**

Council's response is: **choosing to focus on looking after what we have**

Council's approach:

- **Prioritise capital investment**
- **Focus on things we MUST to do,**
- **Including some projects that we think we SHOULD do**
- **Deferring or removing everything else**
- **Looking for other ways to reduce our costs – taking greater risks**

Other points of discussion:

- **Climate change**
- **Looking ahead (10+ years):**
  - **Growth - investing in infrastructure at the right time**
  - **Climate change and resilience: upgrading our assets to be more resilient**

[Topics in the Consultation Document for consultation include:](#)

### **1) Resource recovery centres (consult/option for feedback)**

- We previously consulted on creating two resource recovery centres (MM and MV)
- Major improvements needed at Waihou (possibly millions of dollars)
- Challenges with all three existing sites
- Costs continue to increase – need to look at better, future focussed options

- Proposing to develop one, central resource recovery centre
- May need to close Waihou in year 2027 (rather than sinking money into it)
- Cost info/rating impact

## **2) Roading (consult/option for feedback)**

- Continue implementation of speed management plans and other safety improvements
- Costs have increased significantly – would cost around \$6.5m to do what we had been doing for \$5m
- Think we should keep the funding level the same to manage affordability. In an ideal world we would spend more.
- It will mean stretching out our work programme. Results will take a few years to be seen
- Cost saving/other options

## **3) Te Aroha Spa (consult/option for feedback)**

- Background on the project (drivers, public support)
- Business case + recommendation (\$37m)
- Outcome of investment case
- Decision: not include \$37.7 million spa at this point, but include some funding (\$5m) to continue to explore options and further them if appropriate i.e. develop on the existing spa, refurbish it, or partner with an investor
- Still acknowledge the original drivers and desire of the community to do something.
- Plan to revisit the Domain Reserve Management Plan
- Cost saving/other options

## **4) Te Aroha Library (consult/option for feedback)**

- The Te Aroha Library is not suitable for future use and is earthquake prone – so consider this a 'HAVE to do'.
- Spreading out capital work programme, so doesn't start until year 3
- Other options - if the community considers that the cost of a new library outweighs the benefit, could be an option to not replace it

## **5) The services we provide (consult/option for feedback)**

- Removing/deferring projects (capex) doesn't impact rates as much as people might think
- Reducing operational expenditure (opex) has a bigger impact
- Council has already trimmed budgets significantly over recent years or not increased when needed. Further cuts to opex would mean cuts to services
- Council doesn't believe cutting services is good for community wellbeing – but there is a choice here.

## **6) Rates**

- Proposing to run a balanced budget, which means a significant rates increase in year one

- Alternative option would be to spread this over multiple years

### **7) Walking and cycling improvements**

- Proposing to not budget for new walking and cycling connections, or safety improvements for walking and cycling in order to keep costs down
- Will continue to work with developers to ensure new developments have good walking and cycling connections,
- Will look for opportunities to use external funding or work in partnership
- Cost info / other options

### **8) Town centre upgrades**

- Proposing to prioritise maintaining and renewing existing infrastructure rather than any major upgrades
- Cost info / other options

### **9) Neighbourhood playgrounds**

- Last few years have seen investment in parks and playgrounds
- Proposing to not fund additional neighbourhood playgrounds apart from Te Aroha (see below)
- Continue to maintain and renew existing play equipment
- Cost info / other options

### **10) Te Aroha playground**

- Parks and Open Spaces Strategy planned to deliver at least one community playground in each of three main towns.
- Propose to deliver a new playground in Te Aroha
- Cost info / other options

### **11) Civic centre stage**

- Proposing to remove project to construct a stage in order to keep costs down
- Cost info / other options

### Topics in the consultation document for information only include:

#### **1) Matamata Domain Playground (inform, not consult)**

- Consider this a 'HAVE to do' because already committed, work underway. Community partnership project
- Include costs info/rating impact
- Not giving people the option

#### **2) Matamata Stadium (inform, not consult)**

- Consider this a 'HAVE to do' because already committed, work underway. Community partnership project
- Include cost info/rating impact

- Not giving people the option

**3) Matamata Wastewater Treatment Plant (inform, not consult)**

- This is a 'HAVE to do' project to ensure we can comply with our new resource consent conditions
- \$40 million, with another \$40m in 15-20 years to cater for growth.
- Choosing to stage this manage affordability (alternative is the full \$75m now)
- Include cost info/rating impact

**4) Public toilets at Matamata Domain and Davies Park (inform, not consult)**

- Consider this a 'HAVE to do' because of growth/demand. Support existing projects
- Include cost info/rating impact
- Cost info/rating impact

**5) Morrinsville CBD stormwater upgrades (inform, not consult)**

- Consider this a 'HAVE to do' because of climate change/resilience
- Include cost info/rating impact

**6) Morrinsville WWTP upgrade (inform, not consult)**

- This is a 'HAVE to do' project to ensure we can comply with our new resource consent conditions
- \$X million
- Include cost info/rating impact

**7) Digital enablement (inform, not consult)**

- A SHOULD do project to prioritise organisational efficiency
- Rates increases at this level are unsustainable, so looking at how we can do things differently.
- Reserve funded, no rates impact.

**8) Waitoa water (inform, not consult)**

- Fonterra has decided that they do not want to be the water supplier for the village of Waitoa.
- Council is required to do something to ensure the area has a water supply – however, investigation of options is still under way
- This issue will require ongoing consultation with the Waitoa community.

Note that Council is being asked to approve the draft content of the Consultation Document today. The document will be designed after the audit takes place to allow for changes/ text additions without affecting the layout. Council will have the opportunity to review the designed Consultation Document and associated consultation materials at its meeting in March 2024.

## Mōrearea | Risk

The Local Government Act 2002 sets the requirements for preparation of the LTP.

## Ngā Whiringa | Options

There are two options for consideration:

Option 1: Council approves the draft Consultation Document content for audit	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>Keeps within the current timeframes.</li> </ul>	<ul style="list-style-type: none"> <li>Potential opportunities for amendments to the consultation documentation may not have been considered.</li> </ul>
<b>Recommended?</b>	Yes

Option 2: Council recommends further changes be made to the Consultation Document content before approval for audit	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>Potential opportunities for supporting documents to be amended and reconsidered.</li> </ul>	<ul style="list-style-type: none"> <li>Delay in adopting the consultation document (depending on the duration) will delay preparation of the LTP and commencement of public consultation.</li> </ul>
<b>Recommended?</b>	No

### Recommended option

Option 1 is the recommended option.

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

Council is required to have a LTP under section 93 of the Local Government Act (LGA). As part of this, it is required to utilise the Special Consultative Procedure, which at s93(c)(4) requires audit of the draft Consultation Document.

### Policy Consideration

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

### **Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement**

#### Next Steps

Once Council has approved the draft consultation document for audit, the draft consultation document will be provided to Audit New Zealand for their audit.

Once that audit is completed, the draft consultation document will be revised as necessary, designed to make it engaging, and presented to Council for adoption in March 2024, along with the supporting documentation and Statement of Proposals.

If adopted, the Consultation Document will be used for the Special Consultative Procedure required by the LGA. Council decision making may require further changes through this process.

**Ngā take ā-lhinga | Consent issues**

There are no consent issues.

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

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

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

The community outcomes relevant to this report are as follows:

The LTP contributes to all outcomes by setting the funding and activity framework for delivery of Council services and activities.

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

All costs associated with the production of the Consultation Document can be met within existing budgets.

The financial impacts of the decisions included in the draft 2024-34 LTP supporting documents have been outlined in the consultation document.

### Ngā Tāpiritanga | Attachments

There are no attachments for this report.

### Ngā waitohu | Signatories

Author(s)	Anne Gummer <b>Policy Advisor</b>	
	Jenni Cochrane <b>Communications Manager</b>	

Approved by	Niall Baker <b>Policy Team Leader</b>	
	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	

7 Pūrongo me whakatau | Decision Reports

## 7.6 Approval for Audit of Draft Long Term Plan 2024-2034

CM No.: 2812559

### Te Kaupapa | Purpose

The purpose of this report is to present the draft Long Term Plan 2024-2034 (LTP) to Council for review and to seek approval for audit.

### Rāpopotonga Matua | Executive Summary

The Draft LTP 2024-2034 outlines the Council's proposed plans including major projects, levels of service and forecast budgets for the next ten years.

The Draft LTP is made up of a number of key sections: 1) Introduction and Overview, 2) Key Assumptions, 3) Financial Strategy, 4) Infrastructure Strategy, 5) What We Do, 6) Financials, 7) Policies, 8) Council Controlled Organisations.

The purpose of this report is to present the draft Long Term Plan 2024-2034 (LTP) to Council for review and to seek approval for audit.

If the draft LTP is approved for audit, Audit NZ are scheduled to complete the audit from 30 January to 15 February 2024. The Draft LTP (with any changes) and Consultation Document will then be presented in March to Council for approval for community consultation.

The Draft LTP makes up part of the supporting documentation that accompanies the LTP consultation document when it goes out to the community for feedback.

### Tūtohunga | Recommendation

That:

1. Council receives the report.
2. Council adopt for audit the draft Long Term Plan 2024-34 as supporting documentation for the proposed Consultation Document, including:
  - a) Draft Introduction and Overview (Section 1)
  - b) Draft Key Assumptions (Section 2)
  - c) Draft Financial Strategy (Section 3)
  - d) Draft Infrastructure Strategy (Section 4)
  - e) Draft What We Do (Section 5 – including Groups of Activities and Performance Measures)
  - f) Draft Financials (Section 6)
  - g) Draft Policies (Section 7 – including draft Revenue and Financing Policy)
  - h) Draft Council Controlled Organisations (Section 8)

## Horopaki | Background

The Local Government Act 2002 (LGA) requires Council to adopt the information that supports the development of the consultation document and the LTP. Schedule 10 of the LGA sets out the requirements for the final LTP document, this has been used to form the basis of the supporting documentation.

The next step is for formal LTP audit to occur. Audit NZ are scheduled to complete the audit from 30 January to 15 February 2024.

The supporting documentation will be available on Council's website during the consultation period for public reference, but the legislation makes it clear that other than the draft policies, Council should not be consulting on the supporting documentation.

The supporting documentation consists of key components that underpin the LTP, which as a whole, provides Council's investment plan in support of the intention for Matamata-Piako to keep rates affordable, by focusing on required projects ("must do's") while making strides towards achieving its community outcomes.

## Ngā Take/Kōrerorero | Issues/Discussion

The supporting documentation for Council's 2024-34 LTP is circulated separately to this report and contains the following sections:

- 1) **Draft Introduction and Overview (Section 1)** – This section contains the Mayor's Forward, the function of the Long Term Plan, Council's planning cycle, Council's strategic planning and implementation framework, and ways for the community to give feedback on the LTP. It gives a snapshot of our District now and in thirty years' time, details the Councillors, Council's governance structure and Māori engagement in decision making, and Council's purpose, vision and community outcomes. It highlights the four key drivers / challenges which are referred to throughout the LTP – Affordability, Growth and demand, Compliance, and Climate change and resilience, and how Council will respond to these. Finally, it outlines an additional challenge faced by Council – legislative change.
- 2) **Draft Key Assumptions (Section 2)** - The Key Assumptions represent the important trends and projections expected to affect the Council and the District over the next ten years, and are one of the essential building blocks in the development of the LTP. These key assumptions are used to provide a common set of data and direction for the organisation to use in its planning, to be used in conjunction with a wider set of corporate level assumptions and activity-specific assumptions. These assumptions have been fully revised since the last LTP and workshopped with elected members, a new structure included to improve readability, and the assumptions grouped and aligned (where applicable) with the four key drivers / challenges. The groups of assumptions are as follows: Significant assets, Policy landscape, Growth and demand, Climate change and resilience, Compliance, and Affordability and Council services.
- 3) **Draft Financial Strategy (Section 3)** - The Financial Strategy includes the following content:
  - Our financial goals ie. To maintain our levels of service, to improve levels of service where this complements our vision, to keep our rates affordable, to ensure our debt is manageable
  - Our challenges ie. The costs to maintain levels of service have increased higher than projections, we have had to accelerate changes to meet expectations of regulators, we need to make our systems more robust

- Three waters uncertainty, key drivers, the ways in which we are taking a different approach in this strategy ie putting more emphasis on fees and charges, progressing the most urgent capital projects, only undertaking a small number of discretionary projects, reviewing the way we fund depreciation, short term investment in new technologies
- Our revenue and expenses over the 10 years, how our rates change over 10 years, our capital profile, our debt
- The actions we will focus on to achieve our goals, significant factors that could impact the strategy and our responses ie affordability, growth and demand, climate change and resilience, compliance
- The risks in our strategy and how we will manage these, and other financial matters as required under the LGA 2002.

**4) Draft Infrastructure Strategy (Section 4)** - Council's 30-year Infrastructure Strategy is a requirement of the LGA. The draft Infrastructure Strategy was approved for audit by Council on 13 December 2023. The groups of activity included in the strategy are Water, Wastewater, Stormwater, Rooding, Rubbish and recycling, Parks and open spaces and Community facilities and property. The Strategy sets out Council's key principles for managing its assets, namely: looking after what we have, focusing on the must dos ie complying with legislative requirements, including only a few should dos, smoothing renewals and reducing some roading renewals. The Strategy provides a snapshot of our District and Council's assets, outlines the method used to prioritise capital projects and asset renewals, and discusses Council's approach to risk management. It sets out the most likely scenario for our District in 2054 and how Council will respond. The Strategy discusses the four key drivers / challenges that feature throughout the LTP and how Council will address these in respect of its assets. The Strategy discusses 6 key areas of work: 1) investment in roading renewal, 2) meeting water demand, 3) prioritising capital projects, 4) responding to climate change, 5) servicing growth, 6) meeting our waste minimisation targets. For each it outlines a range of options, associated costs and the preferred option. It then discusses each group of activity in more detail. The Strategy concludes with a Financial Summary and What's Next section.

**5) Draft What We Do (Section 5)** – This section details Council's eight groups of activity – Community Facilities and Property, Strategy and Engagement, Rooding, Rubbish and Recycling, Stormwater, Wastewater, Water, Consents and Licensing. For each group of activity, we identify how the group contributes to our vision and community outcomes, how the key drivers / challenges impact on the group and how Council will respond, our goal in respect to levels of service for that activity, any negative impacts it may have, key legislation etc that guide the planning and operation, the funding source, our projects over the next 10 years, the performance measures and targets we will report on and the funding impact statement.

**6) Draft Financials (Section 6)** – The information in this section underpins the summary financial information including rate and debt limits presented in the consultation document. The underlying financials include: a) Statement of comprehensive revenue and expense, b) Statement of changes in equity, c) Statement of financial position, d) Statement of cash flows e) Statement of accounting policies f) Self-funding activities, g) Non funded depreciation, h) Depreciation and amortisation expense by group of activity, i) Reserve funds, j) Funding impact statement for whole of Council, k) Calculation of rates, l) Financial prudence disclosures.

**7) Draft Policies (Section 7)** – This section includes the following:

- a) Draft Revenue and Financing Policy (reviewed 2023) in full
- b) Significance and Engagement Policy (reviewed 2023) in summary

**8) Draft Council Controlled Organisations** – This section outlines the Council Controlled Organisations we are part of, namely: Waikato Regional Airport Ltd (WRAL), Waikato Local Authority Shared Services Limited (WLASS) - trading as Co-Lab, and the Hauraki Rail Trail Charitable Trust. For each we have provided detail on their ownership structure, the nature and scope of their activities and their key performance targets.

**Mōrearea | Risk**

The Local Government Act 2002 sets the requirements for preparation of the LTP.

**Ngā Whiringa | Options**

There are two options for consideration:

Option 1: Council approves the draft LTP 2024-2034 for audit	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Keeps within the current timeframes.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential opportunities for amendments to the supporting documentation may not have been considered.</li> </ul>
<b>Recommended?</b>	Yes

Option 2: Council recommends further changes be made to the LTP 2024-2034 before approval for audit	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Potential opportunities for supporting documents to be amended and reconsidered.</li> </ul>	<ul style="list-style-type: none"> <li>• Delay in adopting the supporting documentation (depending on the duration) will delay preparation of the LTP and commencement of public consultation.</li> </ul>
<b>Recommended?</b>	No

**Recommended option**

Option 1 is the recommended option.

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

An LTP is prepared every three years, covers ten years (and includes an Infrastructure Strategy for a 30-year period), must include specific information as prescribed in the Local Government Act 2002 (LGA), must be audited, and can only be adopted after a period of public consultation on a consultation document which itself also needs to be audited.

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

### Significance

The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council’s Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

In making this assessment, consideration has been given to the likely impact, and likely consequences for:

- a) the current and future social, economic, environmental, or cultural well-being of the district or region
- b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
- c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

In accordance with the consideration above criteria and thresholds in the policy, it is considered that the supporting documentation is of high significance as its implementation will have a large impact on a wide range of people.

Taking into consideration the above assessment, that the supporting documentation is of high significance, the supporting documentation will be made available alongside the LTP consultation document during the consultation period for public reference.

As stated above the legislation makes it clear that other than the draft policies, Council will not be consulting on the supporting documentation.

### **Policy Consideration**

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

Included in the draft LTP is identification of variations from our Waste Management and Minimisation Plans and assessment of public toilets and sanitary services, as required by legislation. We have identified no significant variations.

## **Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement**

### **Timeframes**

The following table sets out the key dates for the LTP process ahead:

<b>Key Task</b>	<b>Dates</b>
Risk and Assurance Committee meeting - to review draft LTP and Consultation Document before audit	23 January 2024
Council meeting - to approve LTP and Consultation Document before audit	24 January 2024

Second interim audit visit	30 January to 15 February 2024
Risk and Assurance Committee meeting - to review draft LTP and Consultation Document before adoption for consultation	12 March 2024
<b>Audit opinion on consultation document Council sign off on draft LTP, Consultation Document</b> - Council meeting	13 March 2024
<b>Public consultation/engagement period</b>	20 March to 21 April 2024
Council LTP hearings of submitters	8-9 May 2024
Council LTP deliberations/decision making - Council meeting	29 May 2024
Final LTP audit visit - Draft LTP Available for audit	6 June to 13 June 2024 ( <i>to be confirmed</i> )
Risk and Assurance Committee meeting - to review final LTP	18 June 2024
<b>LTP Adoption</b> - Council meeting	26 June 2024

### Ngā take ā-lhinga | Consent issues

There are no consent issues.

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

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

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

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The community outcomes relevant to this report are as follows:  
 The LTP contributes to all outcomes by setting the funding and activity framework for delivery of Council services and activities.

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

All costs associated with the production of the Long-term Plan and community engagement can be met within existing budgets.

The financial impacts of the decisions included in the draft 2024-34 LTP supporting documents have been outlined in the consultation document.

**Ngā Tāpiritanga | Attachments**

There are no attachments for this report.

**Ngā waitohu | Signatories**

Author(s)	Niall Baker <b>Policy Team Leader</b>	
	Anne Gummer <b>Policy Advisor</b>	
	Olivia Picard <b>Graduate Policy Advisor</b>	

Approved by	Niall Baker <b>Policy Team Leader</b>	
	Erin Bates <b>Strategic Partnerships and Governance Manager</b>	

8 Ngā Pūrongo Whakamārama | Information Reports

## 8.1 Mayoral Diary - December 2023

CM No.: 2812087

### Te Kaupapa | Purpose

The purpose of this report is to present the Mayoral Diary from the previous few months.

### Rāpopotonga Matua | Executive Summary

The Mayoral Diary for the period September to December 2023 is attached to the agenda.

### Tūtohunga | Recommendation

That:

1. The information be received.

### Ngā Tāpiritanga | Attachments

[A↓](#). Mayoral diary for December 2023



[B↓](#). Mayoral diary for September to November 2023



### Ngā waitohu | Signatories

Author(s)	Debbie Burge <b>Executive Assistant to the Mayor &amp; CEO</b>	
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Approved by	Adrienne Wilcock <b>Mayor</b>	
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## Mayoral Diary December 2023 to January 2023

<p><b>Friday 1 December</b></p>	<p><b>Meeting with resident</b> I met with a Te Aroha resident about a query regarding the regulations and bylaws around animal control.</p> <p><b>Te Aroha Red Cross Christmas function</b> The annual Christmas lunch was held at the senior citizens hall. At the event we recognised Joy who was celebrating her 102<sup>nd</sup> birthday!</p>  <p><b>Lions night market</b> Held at Railside by the Green in Matamata, I supported this event where the community came together and were entertained with some great local talent.</p>
<p><b>Saturday 2 December</b></p>	<p><b>Matamata Christmas Parade</b> The annual parade saw a good turnout on the streets of Matamata. I was invited to be the passenger in the car, a 1935 Packard, following the emergency services team. It was a glorious day and the fire brigade was called to an emergency an hour before the start of the parade! They made it back just in time to take their position at the front of the parade.</p> <p><b>Te Aroha Arts Under the Mountain</b> I supported this event which showcased local artists.</p>
<p><b>Monday 4 December</b></p>	<p><b>Meeting with council staff</b> To discuss upcoming agenda items and appointment requests.</p> <p><b>Future for Local Government webinar</b> This meeting was a chance to talk ahead of the Special General Meeting about the FFLG process, ask questions, and provide feedback on potential next steps including priorities for advocacy to the government.</p>
<p><b>Tuesday 5 December</b></p>	<p><b>Te Manawhenua Forum &amp; Risk and Assurance committee meeting</b> The final meeting for these committees were held, with a joint lunch shared between meetings.</p>
<p><b>Wednesday 6 December</b></p>	<p><b>Meeting with Mayors</b> I catch up quarterly with local mayors from Hauraki and Thames Coromandel.</p>

	<p>We had our final meeting for the year online, and Mayor of Western Bay also joined us. We discussed common points of interest in our districts and region.</p> <p><b>Morrinsville Air Training Corps (ATC) event</b> I was invited to attend the end of year prize giving and parade for the Morrinsville ATC members held at their headquarters on Lorne St.</p> <p>I assisted with the cadets taking the oath and in my speech, I acknowledged their support of ANZAC Day, Armistice and Kaimai Crash services. Along with the other voluntary work undertaken in the community</p> 
<p><b>Thursday 7 December</b></p>	<p><b>Meeting with business owners</b> Our meeting was about some planning related enquiries.</p> <p><b>Meeting with a Matamata resident</b> This was with a resident from Rangitanuku Road about the tourist traffic travelling their road, due to the Google Maps App.</p> <p><b>St John event</b> I was back in Morrinsville for the St John Youth Cadet award evening.</p> <p>The youth in our community are doing a wonderful job taking opportunities that are presented to them.</p> <p>I presented awards and congratulated all the award winners for their community service. A special mention to Ellamarie Steiner who was awarded the Waikato St John's cadet of the year award.</p>
<p><b>Friday 8 December</b></p>	<p><b>Waharoa Aerodrome committee workshop</b></p> <p><b>Future Proof implementation committee meeting</b></p>
<p><b>Saturday 9 December</b></p>	<p><b>Morrinsville Christmas Parade</b> It was a lovely fine day for the parade with a theme of "what we love about Christmas". Before the parade started I joined the organisers to be a guest judge of</p>

	<p>the floats. There was a good number entered, and the public turned out in good numbers to watch as they paraded up Thames Street.</p> 
<b>Sunday 10 December</b>	<p><b>Connect the Rec event</b> This was a community event to celebrate the opening of the new Morrinsville Recreation Ground perimeter path and pop up pump track coming soon to Anderson Park.</p>
<b>Monday 11 December</b>	<p><b>Regional Transport Committee meeting</b></p> <p><b>Matamata Primary meeting</b> I met with the Principal and BOT members to talk about some roading issues outside the school.</p> <p><b>LGNZ online special meeting</b> LGNZ National Council has called this Special Meeting to vote on the position that will be developed through the future by local government consensus process</p>
<b>Tuesday 12 December</b>	<p><b>Meeting with Council Staff</b> I met with my EA to talk about meeting and letter requests and upcoming events. I also discussed with staff about an enquiry from a member of the public regarding animal control process</p> <p><b>Te Aroha Senior Citizens event</b> I was invited to attend the annual Christmas party held at the Senior Citizens Hall.</p>
<b>Wednesday 13 December</b>	<p><b>Council meeting</b> Our final meeting for the year.</p> <p><b>Morrinsville Business After 5 (BA5)</b> Hosted by MBS this was the final event for the year, with good attendance by local businesses.</p>
<b>Thursday 14 December</b>	<p><b>Piako Catchment Forum meeting</b> Held at the Walton Hall, the meeting discussed the new trust they have formed to enable access to further funding and Waikato Regional Council councilor Jennifer Nickel was the guest speaker.</p>
<b>Friday 15 December</b>	<p><b>Longlands presentation</b> I was invited to judge the Christmas Light competition in Longlands</p>

	<p>Village, and attended the function they had to recognise the winners.</p> <p>I presented the awards for the best Christmas decorations after meeting with the Longlands manager a few nights earlier to view all the entries. I even saw Santa!</p>  <p><b>MPDC end of year event</b> Held in Matamata, a chance for staff and elected members to share a meal together.</p>
<p><b>Tuesday 19 December</b></p>	<p><b>Navigating the Maze webinar</b> It provided an opportunity to get an update on the 3W reform and impacts on the LTP and for Councils to ask questions.</p> <p>I was reassured by the commentary that our council is in a good space in how we are managing the LTP process in relation to the legalities.</p>
<p><b>Wednesday 20 December</b></p>	<p><b>Meeting with council staff</b> With my EA to make sure everything had been tied off before the office closes for the Christmas break, and with Communications staff to film a Christmas message for social media.</p> <p><b>Meeting with Morrinsville Chamber</b> I met with Chair Nigel McWilliam and member Grant Summerell to have a catch up before the end of the year to talk about the working relationship between the chamber and council and how this could look in 2024.</p>
<p><b>Friday 22 December</b></p>	<p><b>Meeting with resident</b> I met with a Matamata resident to talk about his vision for Matamata.</p>
<p><b>Saturday 23 December</b></p>	<p><b>Pilipino Farm Workers event</b> Held at the Civic Centre in Matamata, I attended the dinner and end of year celebration and presented the basketball competition awards. They had run a sub-regional competition in our district stadiums since mid-September winding up early December</p>

	
<p><b>Tuesday 26 December</b></p>	<p><b>Animal Control enquiry</b> I took a call asking for assistance with an animal control query.</p>

## Mayoral Diary September 2023

<b>Friday 1 September</b>	<p><b>School speech competition</b> I was a guest judge alongside Te Aroha College principal Neil Harray at the Stanley Ave school speech competition. I was very impressed with the student's polished delivery.</p>
<b>Monday 4 September</b>	<p><b>Women in Business networking</b> I attended a networking event held in Matamata for Women in Business. Matamata local Tracy Brown was the speaker, and spoke about her journey in governance.</p>
<b>Tuesday 5 September</b>	<p><b>Meeting with council staff</b> I met with our governance team and my EA to discuss upcoming meetings and appointment requests.</p>
<b>Wednesday 6 September</b>	<p><b>Council workshop</b></p>
<b>Friday 8 September</b>	<p><b>Matamata community stadium meeting</b> This was a meeting to discuss the neighbouring properties and affected parties of the proposed build.</p>
<b>Monday 11 September</b>	<p><b>Citizen Advice Bureau</b> I wrote three letters of support for our district CAB's who are applying for vital funding for their organisations who do such valuable work in our communities.</p> <p><b>Morrinsville Community House Annual General Meeting</b> I attended the AGM in Morrinsville, The demand for these services in our community continues to increase.</p>
<b>Tuesday 12 September</b>	<p><b>Risk and Assurance committee meeting</b></p> <p><b>Meeting with MPDC staff</b> I met with staff to talk about the upcoming council workshop being held, and our Parks and Facilities team leader to talk about a proposal from a business in the district.</p> <p><b>Morrinsville Business After 5</b> Hosted by Bayleys.</p> <p><b>Webinar</b> Hosted by Waipa District Council the topic covered was Participatory budgeting: user-friendly local democracy in practice</p>
<b>Wednesday 13 September</b>	<p><b>Council workshop</b></p>
<b>Thursday 14 September</b>	<p><b>Te Aroha Spa Project update</b> This was to hear feedback from Deloitte and NZTE representative Anna Welham on the project.</p>
<b>Friday 15 September</b>	<p><b>Inghams meeting</b> I met with Boram Keam and Matt Easton to touch base and also discuss</p>

	<p>the opportunity of supporting the Matamata Community Stadium.</p> <p><b>Future Proof Implementation Committee meeting</b></p>
<p><b>Sunday 17 September and Monday 18 September</b></p>	<p><b>Future for Local Governance meeting</b> Held in Wellington, the focus of this meeting was around</p> <ul style="list-style-type: none"> <li>• Understanding the principles and power of consensus decision-making</li> <li>• Confirming our vision for the future and areas where we already have consensus</li> <li>• Starting the process to build consensus on two of the more contentious recommendations.</li> </ul>
<p><b>Tuesday 19 September</b></p>	<p><b>Meeting with MPDC staff</b></p> <p><b>Women's suffrage luncheon</b> I attended a lunch with other women elected members to celebrate 130 years since woman in NZ earned the right to vote.</p>
<p><b>Wednesday 20 September</b></p>	<p><b>Committee workshop</b> The CEO review committee members had a discussion around KPI's for the 2024 year.</p> <p><b>Council workshop</b></p> <p><b>Matamata Stadium meeting</b> There was an information session held at Matamata College to provide surrounding landowners with the latest information about the proposed stadium.</p>
<p><b>Thursday 21 September</b></p>	<p><b>Meeting with Hinuera/Te Poi Lions representative</b> This meeting was to talk about a community project they have in mind.</p> <p><b>Waharoa Aerodrome committee meeting</b></p> <p><b>Meeting with Te Aroha residents</b> I met with a Te Aroha community volunteer at her home. We had a lovely high tea she showed me her royal memorabilia and collections. I appreciated how passionate she is about the causes they support and I commend them for that.</p>
<p><b>Friday 22 September</b></p>	<p><b>Hinuera Rugby Club Prize giving</b></p>
<p><b>Saturday 23 September</b></p>	<p><b>Planting day with Piako Catchment Forum</b> I attended a planting day at a property in Walton.</p>
<p><b>Monday 25 September</b></p>	<p><b>Community stadium project group meeting</b></p>
<p><b>Tuesday 26 September</b></p>	<p><b>Meeting with sports group</b> I met to have a discussion about the vision for the future for this club</p>

	<p><b>Meeting with council staff</b> I met with the governance team to talk about the council meeting being held this week.</p> <p><b>Meeting with Te Aroha residents</b> I met with two ratepayers to talk about their concerns around the new refuse collection and other matters.</p> <p><b>Morrinsville Chamber event</b> The Morrinsville Chamber hosted an evening at the RSA where members of the NZ police talked about crime in the town, crime prevention and how to handle certain situations.</p>
<b>Wednesday 27 September</b>	<b>Council Meeting</b>
<b>Thursday 28 September</b>	<p><b>Morrinsville 65+ group</b> This group has been operating for 10 years, so to mark the occasion they held a morning with activities and a luncheon.</p> <p>It was great to see the older members in our community getting out and about and having this organised programme for them.</p> <p><b>Meeting with Matamata resident</b> With regard to a berm issue on their street.</p> <p><b>Fundraising event</b> Held at the Merchant in Matamata for Pohlen Hospital. I supported this event with Pohlen Hospital Foundation Trustees.</p>
<b>Friday 29 September</b>	<p><b>Meeting with volunteers</b> About the Harold Caitlin Reserve and work being done on it.</p> <p><b>Meeting with council staff</b> Catch up with my EA Debbie to go over mayoral correspondence, requests and upcoming appointments.</p> <p><b>New staff afternoon tea</b> I met with some of MPDC's newest staff members. It is a great opportunity to connect and get to know them.</p> <p><b>Morrinsville Bowls</b> As part of the annual Clinco Bowls Fest the club holds an opening function and dinner at the bowling club.</p> <p>The meal was prepared by the Morrinsville Lions Club, followed by guest speakers, Tayla Bruce and Selina Goodard. At the age of 28, both girls have a lot of experience and a huge future in the world of bowls. They recently competed in the World Bowls Championships, with Tayla winning Gold in the Singles and Silver in the triples, while Selina was part of the Bronze winning fours team. Both girls were part of the very successful New Zealand team who won the overall prize at the Championships.</p> <p>All of our Morrinsville councillors were also present.</p>

## Mayoral Diary October 2023

<p><b>Monday 2 October</b></p>	<p><b>Matamata Chamber Liaison Group meeting</b> At this quarterly meeting between the chamber and council we discuss project progress and other topics related to the business community.</p> <p><b>Hauraki Rail Trail Charitable Trust meeting</b> At this meeting we discussed the support councils contribute to the trust.</p> <p><b>Te Aroha Business Association meeting</b> I attended the monthly meeting held at the Te Aroha RSA</p>
<p><b>Tuesday 3 October</b></p>	<p><b>Meeting with staff</b> To talk about upcoming council meeting agendas and media updates.</p> <p><b>Te Manawhenua Forum meeting</b></p>
<p><b>Wednesday 4 October</b></p>	<p><b>Council workshop</b></p> <p><b>Open Country Dairy site visit</b> Brian McInnes met with councillors and I on site at their Waharoa plant for a site visit to see what projects they are working on.</p>
<p><b>Thursday 5 October</b></p>	<p><b>Meeting with council staff</b> With regards to councils development contributions policy.</p> <p><b>Meeting with Matamata business owner</b> To discuss a planning related query on their property.</p> <p><b>Meeting to discuss bequeath</b> This meeting was to further discussion on how a bequeath could be used in the community.</p>
<p><b>Saturday 7 October</b></p>	<p><b>Aroha Cruise In</b> I attend the annual Cruise In to judge and present awards to the pageant participants. There was an excellent turn out of both cars and visitors to the event.</p> <p><b>Matamata Athletics 100 year celebration</b> I joined past and present members of the club to celebrate this milestone and presented a life membership. Councillor Sue Whiting also attended. Congratulations on 100 years!</p>
<p><b>Monday 9 October</b></p>	<p><b>Meeting with Matamata resident</b> General chat about all things council related including the rates increase.</p> <p><b>Meeting with Council staff</b> With regard to development contributions.</p> <p><b>Mayoral catch up</b> I meet regularly with neighbouring Mayors Toby Adams of Hauraki</p>

	District Council and Len Salt of TCDC. We talk about things like common issues we face in our districts.
<b>Tuesday 10 October</b>	<p><b>Meeting with Council staff</b> To discuss council agendas and meeting requests.</p> <p><b>Lockerbie temporary plant opening</b> It's the day Morrinsville's new temporary Water Treatment Plant connection was connected to the town water network.</p>
<b>Wednesday 11 October</b>	<b>Council workshop</b>
<b>Thursday 12 October</b>	<p><b>Walton School speech contest</b> I was invited to be a judge at the annual school speech contest.</p> <p>I was joined by librarian, Judith van den Broek to judge the years 4,5 and 6 speeches. Not an easy task picking winners with the finalists being well prepared. The junior students recited poems while we scored each finalist which took the pressure off us.</p> <p><b>Meeting with Sport Waikato and Tauranga City Mayor</b> CEO Matthew Cooper and I travelled to Tauranga to talk to Mayor James Denyer about the proposed community stadium in Matamata and cross boundary support.</p>
<b>Friday 13 October</b>	<p><b>Waikato Mayoral Forum meeting</b> This meeting was to talk about an up-coming hui with Iwi Leaders later in the month.</p> <p><b>Matamata F45 Mental Health fundraiser</b> The group is raising money and awareness for Starfish to continue offering counselling social work, mentoring family, harm prevention, suicide prevention. I called in support and see the team in action.</p>
<b>Saturday 14 October</b>	<p><b>Kiwani's children's day</b> I attended the free event in Morrinsville, put on by the Kiwani volunteers with other service clubs in support.</p> <p>It was great to see families having a fun time on all the activities.</p>
<b>Monday 16 October</b>	<p><b>Matamata Aerodrome RMP workshop</b> At this workshop we had a recap of the aerodrome, land status, key issues, reviewed the drivers for the management plan review, updated on legal opinions received, Engagement with Ngati Haua and MAUG and the process going forward including potential future meeting dates.</p> <p><b>Te Aroha Community Health Shuttle meeting</b> Council staff and I met with the volunteers involved to talk about options for storage for the community vans.</p>
<b>Tuesday 17 October</b>	<p><b>Meeting with council staff</b> I met with the governance team to talk about items on upcoming</p>

	<p>meeting agendas and</p> <p><b>Morrinsville Business After 5</b> Hosted by House of Travel, there was a good turn out and networking</p>
<p><b>Wednesday 18 October</b></p>	<p><b>Council workshop</b></p> <p><b>Matamata Business After 5</b> Hosted by the BNZ.</p>
<p><b>Thursday 19 October</b></p>	<p><b>Waikato Mayoral/Iwi Hui</b></p> <p><b>Meeting with council staff</b> To talk about the arrangements for the Business Night Out coming up next week.</p>
<p><b>Friday 20 October</b></p>	<p><b>Future Proof Workshop</b> At this meeting we had a presentation from Bluefloat on the strategic opportunity and ability to harness Waikato's potential in renewable energy.</p> <p>We also had an update focusing on affordable housing, population assumptions, transformational moves and measurement framework, the southern link and communications with developers.</p> <p><b>Opening of the National Dog agility show</b> I was part of the official opening of the show being held at the Morrinsville Recreations grounds.</p> <p>The competition includes the Junior Dog Handler of the year, Agility Champion of Champions and Jumper Champion of Champions.</p> <div style="text-align: center;">  </div> 
<p><b>Tuesday 24 October</b></p>	<p><b>Meeting with council staff</b> To put the final touches on the Business Night Out being held on Thursday.</p> <p><b>Risk and Assurance Committee meeting</b></p> <p><b>Meeting with MP Tim van De Molen</b> I caught up with Tim to talk about pressures in the district and how they connect to central government policies.</p>

	<p><b>Meeting with Te Aroha resident</b> Regarding concerns around trees on their street.</p>
<p><b>Wednesday 25 October</b></p>	<p><b>Council meeting</b></p> <p><b>Te Aroha Combined Services dinner</b> Warwick and I attended the dinner held at the Te Aroha RSA, that brought together members of the volunteer groups such as Lions, Rotary, and Red Cross. Members from each organisation spoke, and it was an excellent opportunity to hear what projects the groups are working on.</p>
<p><b>Thursday 26 October</b></p>	<p><b>Business Night Out</b> I hosted the annual Business Night Out on behalf of Council at the Matamata-Piako Civic and Memorial Centre, alongside MC Rino Wilkinson (Nga Iwi FM), with keynote speaker Dr Michelle Dickinson.</p> <p>The evening was a great success – bringing together our local business community to network and celebrate business excellence. The winners were:</p> <ul style="list-style-type: none"> <li>- Contribution to community: Kevin and Andrea Deane</li> <li>- People’s Choice Te Aroha: Te Old Forge</li> <li>- People’s Choice Matamata: Wheelie Bin Services</li> <li>- People’s Choice Morrinsville: Subway Morrinsville</li> <li>- Professional Services: Daisy Digital Marketing</li> <li>- Trades Manufacturing and Primary Industries: Wheelie Bin Services</li> <li>- Consumer Services: The Merchant Matamata</li> <li>- New and Emerging Business: McPherson Tree Care Ltd</li> <li>- Bayleys Supreme Business Award: Wheelie Bin Services</li> </ul>
<p><b>Friday 27 October</b></p>	<p><b>Former Mayor Hugh Vercoe</b> I attended the funeral for former Mayor Hugh Vercoe.</p> <p>Hugh Vercoe is Matamata-Piako longest serving Mayor, representing the community for 15 years from 1998 to 2013 – but his career in local politics didn’t end there. He moved on to Waikato Regional Council, where he continued to serve the community from 2023 to 2022.</p> <p>We remember Hugh’s incredible contributions he made to Matamata-Piako and the wider Waikato.</p>
<p><b>Saturday 28 October</b></p>	<p><b>St Marks Peace Memorial event</b> The St Marks restoration committee held an event in the Te Aroha domain to help raise funds towards earth quake proofing the church.</p> <p>There were stalls, music and re-enactments on the day, including a visit to the church.</p>
<p><b>Monday 30 October</b></p>	<p><b>Matamata Stadium Project Steering Group meeting</b> This was a meeting to get an update on how things are progressing.</p> <p>Deputy Mayor James Thomas now chairs this group as a councillor</p>

	representative
<b>Tuesday 31 October</b>	<b>Meeting with Council staff</b> Planning with our Governance staff and my EA to go over the upcoming meetings and appointments for the week. Also a discussion with our legal counsel to talk about councils Standing Orders.  <b>Morrinsville Town and Country Club and Golf Club meeting</b> A meeting between clubs and council to talk about their future.

## Mayoral Diary November 2023

<b>Wednesday 1 November</b>	<b>Council workshop</b>
<b>Thursday 1 and Friday 2 November</b>	<b>Future by Local Government and Rural &amp; Provincial meetings</b> These regional and national meetings brought mayors from around the country to meet in Wellington.
<b>Saturday 4 November</b>	<b>Gumboot Fundraiser</b> Talia Berry from Fleet Fitness held an event to raise funds for Gumboot Friday. I called in to draw the raffle at the end of her 24 hour marathon effort!  <b>Morrinsville Fireworks Extravaganza</b> It was fabulous to see all the groups and families having a fun time at the event. Over 10,000 came through the gates. Kudos to the Morrinsville Chamber of Commerce for leading this well run event.
<b>Monday 6 November</b>	<b>Meeting with Matamata businesses</b> I had two meetings with local businesses, one to discuss a planning matter and the other regarding the stadium project.  <b>Meeting with Te Aroha resident</b> To talk about horse trails.  <b>Meeting with council staff</b> I had meetings with staff about upcoming meetings, appointments and the business breakfast event being held at the end of the month.  <b>Matamata Stadium meeting</b> I attended the meeting of community sports groups who have an interest in the new proposed community stadium.  <b>Matamata Justice of the Peace Association AGM</b> I was the guest speaker at the annual event.
<b>Tuesday 7 November</b>	<b>Meeting with Morrinsville Chamber</b> I met with the Chamber CEO Cathy to have a catch up.  <b>Matamata Piako Community Health Forum</b> Some good discussions had on the current health services in our district.  <b>LGNZ Localism online meeting</b> Led by Mayor Alex Walker about projects councils have that support localism.
<b>Wednesday 8 November</b>	<b>CEO performance review committee workshop</b> Quarterly check in of the committee.

	<b>Council workshop</b>
<b>Thursday 9 November</b>	<p><b>Life Education Trust meeting</b> I met with representatives Keith and Francis to hear about their programme and funding challenges. Some great support locally. Very passionate about what they do. The programme costs about \$25/student and is delivered annually or sometimes bi annually to 70 schools across MPDC, HDC, TCDC and some schools in WDC.</p> <p><b>Waikato Regional Airport Ltd (WRAL) Annual General Meeting</b> Held on site at the airport. A lot of development happening.</p>
<b>Friday 10 November</b>	<p><b>RLTP meeting</b> Held at the Regional Council office in Hamilton.</p> <p><b>Meeting to discuss bequeath</b> Further conversations about how a bequest could be used in the community.</p>
<b>Saturday 11 November</b>	<p><b>Armistice Day</b> This years' service was hosted by the Te Aroha RSA. We came together to recognise the end of World War 1.</p> <p><b>Te Aroha A P and H Show</b> The annual show drew a good number of visitors, and I was invited to present prizes and draw the raffle winners at the Home Industries section. I was impressed with the standard of craftwork and displays.</p>
<b>Monday 13 November</b>	<b>Matamata Futures AGM</b>
<b>Tuesday 14 November</b>	<p><b>Meeting with Council staff</b> To discuss meeting request, agenda for council meetings and a project one of our local bowls clubs are looking into.</p> <p><b>Meeting with Te Aroha Business Association</b> I met with chair Allison to talk about the group and how things are going for our Te Aroha businesses.</p> <p><b>Meeting with Te Poi residents</b> To talk about the local roads and speeds.</p>
<b>Wednesday 15 November</b>	<p><b>Council workshop</b></p> <p><b>Matamata Business After Five</b> Hosted by the Institute for Generative Leadership, and Fantail Garden Accommodation at the old BNZ building.</p>
<b>Thursday 16 and Friday 17 November</b>	<p><b>Morrinsville Recreation Ground perimeter path</b> This new path for the community to walk, run, bike, skate and scoot along, is thanks to Long Term Plan and Waka Kotahi Transport Choices funding. The shared path, also accessible for mobility scooters, wheelchairs and prams, opened to the public following an early morning blessing by local hapū Ngāti Werewere of Ngāti Hauā.</p>

	 <p><b>LGNZ Zone 2 meeting</b> Hosted by the Whakatane District Council, Councillor Sarah Jane Bourne and I attended the two day meeting bringing together mayors and elected members from around the region.</p>
<p><b>Sunday 19 November</b></p>	<p><b>Zion Golf Tournament</b> I welcomed the members of the Motorhome group who played at the Walton, Morrinsville and Te Aroha clubs over the week. This is the third year of the group playing on our local courses, involving 60 golfers in 38 Motorhomes. The inclement weather in the district didn't affect their first round of play at Walton and the weather cleared for the rest of the week.</p>  <p><b>Matamata RSA Bowls Tournament</b> This week the Matamata RSA Bowls are hosting the RSA National Outdoor Bowls Tournament. I attended the opening dinner and welcomed all the competitors.</p>
<p><b>Monday 20 November</b></p>	<p><b>Meeting with Railside by Green Committee Chair</b> I met with Linda to discuss their proposed project.</p> <p><b>Citizenship Ceremony</b> We welcomed 23 new citizens to the district at a ceremony held at the Silver Fern Farm Event Centre.</p>
<p><b>Tuesday 21 November</b></p>	<p><b>Meeting with council staff</b> As well as meeting with the governance team, I also was updated by staff managing the Te Aroha water shortage event.</p> <p><b>Eat Street</b> I supported staff in Morrinsville at the event focused on bringing together.</p>

	<p><b>Morrinsville Business After 5</b> Hosted by St John</p> <p><b>Te Aroha Federated Farmers meeting</b> I spoke and gave an update on council affairs.</p>
<p><b>Wednesday 22 November</b></p>	<p><b>Council meeting</b></p> <p><b>Te Aroha Spa Project meeting</b> This online meeting was to receive an update on potential investors opportunities.</p>
<p><b>Thursday 23 November</b></p>	<p><b>Te Aroha School Croquet competition</b> This year's primary school competition was taken out by Te Aroha Primary School, I was there to present them with the trophy at the prize giving.</p> 
<p><b>Friday 24 November</b></p>	<p><b>Future Proof Public Transport Subcommittee meeting</b> Held at the Waikato Regional Council offices in Hamilton.</p>
<p><b>Saturday 25 November</b></p>	<p><b>Matamata Playground project</b> Council and community lead a consultation event promoting the proposed playground design asking for feedback.</p> <p><b>Morrinsville Volunteer Fire Brigade event</b> I attended the brigade's honours and awards night and Christmas party. Service awards were presented, and Brian Watters was acknowledged as he has stepped down as fire chief after 22 years in that role.</p>
<p><b>Sunday 26 November</b></p>	<p><b>Matamata Lions Project completion</b> Matamata Lions officially handed over the key to council now that the renewal of the cemetery wall and gates have been completed. It looks stunning. Councillors Sue Whiting, James Sainsbury and Kevin Tappin were also in attendance.</p>
<p><b>Monday 27 November</b></p>	<p><b>Waikato Mayoral Forum meeting and Iwi Leaders/Mayors hui</b> Hosted by South Waikato District Council and held in Tokoroa.</p>
<p><b>Tuesday 28 November</b></p>	<p><b>Meeting with council staff</b> Catch up with Governance staff on the schedule for the week.</p> <p><b>Te Aroha Senior Citizens event</b></p>

	<p>I was delighted to be able to call in to the Senior Citizens to wish local Joy Parsons a very happy 102<sup>nd</sup> birthday, what an awesome milestone!</p>
<p><b>Wednesday 29 November</b></p>	<p><b>Council workshop</b></p> <p><b>Racing Te Aroha track reopening</b> After almost two years the track was reopened with a full race card meeting. I cut the ribbon at official opening before race one of the twilight meet. The upgrade looks great.</p> <p><b>Hobbiton event</b> I attended the Bagshot Row grand opening. This is an amazing addition to the experience on offer at our significant tourist destination.</p> <div style="display: flex; justify-content: space-around;">   </div>
<p><b>Thursday 30 November</b></p>	<p><b>Battery shed opening</b> Held at the Matamata Refuse Transfer Station (RTS), I joined staff and members of the Matamata Men's Shed to officially open the new service collection for the recycling of household batteries.</p> <p>These purpose built sheds have been placed at all three RTS in our district. Thanks to the Matamata Men's Shed for making them for us.</p> <div style="text-align: center;">  </div> <p><b>Meeting with Matamata Chamber Chair</b> I met with Lynette to catch up.</p>