Waikato Regional Council

Council

OPEN MINUTES

Date: Thursday, 28 March, 2019, 10:30 am
Location: Council Chamber
Waikato Regional Council
401 Grey Street
Hamilton East

Members Present: Cr A Livingston - Chairman
Cr T Mahuta - Deputy Chair
Cr J Hayman
Cr J Hennebry
Cr S Husband (until 2.04pm)
Cr S Kneebone
Cr F Lichtwark
Cr D Minogue
Cr B Quayle
Cr R Rimmington
Cr H Vercoe
Cr K White

Staff Present: V Payne - Chief Executive Officer
C McLay - Director Resource Use
C Crickett - Director Integrated Catchment Management
N Williams - Director Community and Services
J Becker - Chief Financial Officer
K Bennett - Manager CE’s Office
J Cox – Democracy Advisor
1. **Apologies**

Apologies received from Cr Hodge and Cr Simcock.

The Chair acknowledged the events in Christchurch with a moment’s silence before commencing the meeting.

Apologies were received from Cr Hodge and Cr Simcock.

**WRC19/37**

**Moved by:** Cr R Rimmington  
**Seconded by:** Cr T Mahuta

**THAT the apologies of Cr Hodge and Cr Simcock be accepted.**

The motion was put and carried

2. **Confirmation of Agenda**

The agenda of the meeting was accepted. Members noted the proposed timing for presentations

**WRC19/38**

**Moved by:** Cr R Rimmington  
**Seconded by:** Cr F Lichtwark

**THAT the agenda of the meeting of the Waikato Regional Council of, as circulated, be confirmed as the business for the meeting noting the timing of Items:**

5.1 Verbal presentation from Hamilton City Council to be presented at 10.45am  
14 - PEX report Approval of Corporate Systems Replacement - to be presented at 11.30am  
5.2 Verbal presentation from Waikato River Authority to be presented at 12.00pm  
5.3 Water presentation science prize to be awarded at 12.30pm.

The motion was put and carried

3. **Disclosures of Interest**

There were no disclosures of interest for the meeting.

4. **Confirmation of Minutes**

4.1 **Council Minutes - 28 February 2019**

The minutes from the meeting of 28 February 2019, presented for approval.

Matters noted for correctness were:
Cr Hayman noted that she voted against the Healthy Environments motion on page 12 of the minutes. Members agreed that this should be corrected.

A member noted a spelling mistake in the December minutes of the Waikato Plan Leadership Committee minutes on Page 33. The word used was "predatory" and members noted is should be "preparatory stage."

**WRC19/39**

**Moved by:** Cr S Husband  
**Seconded by:** Cr J Hayman

**THAT** the Minutes of the Council Meeting of 28 February 2019 with the noted corrections to page 12, and page 33, be approved as a true and correct record (Doc#14008868).

The motion was put and carried

5. **Presentations to Council**

5.1 **Verbal update from Hamilton City Council**

Scheduled for 10.45am - Hamilton City Council General Manager Venues, Tourism and Major Events - Sean Murray provided a verbal update on the Waikato Regional Theatre.

Members were advised of a number of the funding aspirations for Momentum Waikato. Hamilton City Council staff were continuing to talk with Momentum about their requirements on funding.

A go slow approach had been taken in drafting the funding agreements to ensure clarity towards the end product rather than changing agreements when project parameters changed. Hamilton City Council would continue to share information with staff from Waikato Regional Council to ensure that both organisations could work to ensure that the funding provided to the project would be protected in the event of a project failure.

There was further work to be undertaken by Momentum throughout April and May and it was hoped that funding commitments would be able to be confirmed by June 2019, with agreements ready for approval by all the funding partners. If all the agreements were approved by June then the build project could commence by October 2019 with a view to being completed for a live opening by October 2021.

During questions, answers and related discussion the following points were noted:

- there was an appreciation by the members for the rigour that Hamilton City Council were applying to the proposed funding agreements. Council would be looking for the same protection in funding.
• There were possibly a number of alternative funding options available to Momentum however what those options were would need to be shared by Momentum with their presentation to Council, planned for April 2019.

• as it was an election year it was appropriate that material decisions about the funding agreements were made in June prior to the Pre Election period. If decisions were not able to be finalised at this time, the funding agreements would be completed following the October Local Government Elections. Any delay would be a delay in the project time line not in the provision of funds.

• There have been positive discussions with Mr Eglington of Momentum in regards to the knock on effect of the theatre to the City and the accompanying hotel development.

WRC19/40
Moved by: Cr A Livingston
Seconded by: Cr S Husband

THAT the verbal report from Hamilton City Council General Manager Venues, Tourism and Major Events - Sean Murray on the Waikato Regional Theatre be received.

The motion was put and carried

6. Committees Reporting to Council
   6.1 Finance Committee

   Minutes of the Finance Committee meeting of 19 February 2019.

   Cr Hennebry spoke to the minutes. (Doc#13836904 attached as Appendix 1)

   During questions answers and related discussion the following was noted:

   • Page 4 of the Finance Committee minutes (page 87 of the agenda pack) referred to the prior year’s surplus. Members noted that the discussion would be raised again with council later in the meeting through the Annual Plan report.

   • Page 5 of the Finance Committee minutes noted that the motion had been seconded by Cr A Lichtwark. By way of correction this should be Cr A Livingston. Members acknowledged that Cr Lichtwark was present at the meeting but as he was not a member would not have moved or seconded any decisions.

WRC19/41
Moved by: Cr J Hennebry
Seconded by: Cr B Quayle

THAT the minutes of the Finance Committee meeting of 19 February 2019 be approved (Doc# 13836904).

THAT the Section A decisions be noted.

THAT the Section B decisions be adopted
Financial performance monitoring and forecast as at 31 December 2018

2. THAT the committee recommend to council the proposed allocation of prior year surplus funds as set out in this report (Doc# 13644512) is referred to the annual plan process; and

3. THAT the committee recommend to council the approval of the forecast budget adjustments as set out in this report (Doc#13644512).

The motion was put and carried

6.2 Regional Transport Committee

Minutes of the Regional Transport Committee meeting of 4 March 2019.

Cr Vercoe spoke to the minutes. (Doc #13929238 to be attached as appendix 2.)

During questions answers and related discussion the following points were noted:

- the Chief Executive of the Ministry of Education responded to the concerns of the proposed withdrawal of services to the region's school buses. Members were advised that there was to be no change in Waikato for the foreseeable future.
- the role Crs Vercoe and Rimmington had in the rail business case decision by New Zealand Transport Agency was acknowledged. They were thanked by the members for their contribution to the process.
- the responsibility for the cost of refurbishment of the carriages rested entirely with KiwiRail. They had started the work and sought specialist staff to undertake the work.

WRC19/42
Moved by: Cr H Vercoe
Seconded by: Cr B Quayle

THAT the minutes of the Regional Transport Committee meeting of 4 March 2019 be received (Doc#13929238).

THAT the Section A decisions be noted.

The motion was put and carried

6.3 Waikato Civil Defence Emergency Management Group Joint Committee

Minutes of the Waikato Civil Defence Emergency Management Group Joint Committee meeting of 4 March 2019.

Cr Vercoe spoke to the minutes. (Doc#13957603 to be attached as appendix 3).

During questions, answers and related discussion the following points were noted:

- Matamata Piako District Council and Hauraki District Council were seeking to appoint staff to work in with the Thames Valley CDEM group.
• where a significant event occurred that crossed district boundaries, that would mean the event would come under group control.

• following the announced change in the Civil Defence legislation, Iwi engagement would occur with a member to represent local Iwi on the Co-ordinating Executives Group. The Executive Group was made up of senior staff from each council and would be enlarged to include iwi representation as the strategic level. The Executive Group undertake review and input to the Group Plan and this was where the rep would have impact.

• with respect to the staff whose appointment as local controllers for Taupo, members were advised that they had been nominated for the next controllers course. Not having undertaken this training was one of the reasons for their nomination to be declined.

• the majority of work undertaken by the Group was related to emergency management and also allowed them to manage events without it being an emergency. The work was more than just civil defence.

WRC19/43
Moved by: Cr H Vercoe
Seconded by: Cr T Mahuta

THAT the minutes of the Waikato Civil Defence Emergency Management Group Joint Committee meeting of 4 March be received (Doc#13957603).

THAT the Section A decisions be noted.

The motion was put and carried

Public Excluded Section

Resolution to Exclude the Public

WRC19/44
Moved by: Cr A Livingston
Seconded by: Cr S Kneebone

THAT the public be excluded from the following part/s of the meeting:

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

Good reason to withhold exists under Section 7.

That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

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

**Item Name: Project Reboot**

- Protect information where the making available of the information
  (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Section 7(2)(b))

THAT Asbjorn Aakjaer, Edwin Lim and Andrew Dentice of HGM Lawyers be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of Item 13 - Project Reboot. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because the independent advisor and external legal experts in relation to the business case.

The motion was put and carried

The meeting moved to public excluded at 11.32am.

5. **Presentations to Council**

5.2 **Presentation from Waikato River Authority**

The meeting returned to open meeting at 12.15pm for the presentation from the Waikato River Authority.

Present were Project Funding Manager Michelle Hodges, Principle Advisor, Engagement & Policy Julian Williams, Board Member Peter Buckley and Communications Advisor Philip Burton.

Members received a presentation Doc#14034048. Within the presentation members were advised that a review would be under taken of the vision and strategy and throughout the review there would be ongoing updates for council on the progress of the review.

The Chair thanked the team for their presentation and invited members to ask any questions they had.

During questions, answers and related discussion the following points were noted:

- The presentation had referred to a headline about a $100 million dollar funding plan. A member asked what the funding plan related to and in response was advised that it referred to 12 to 18 organic dairy farms specifically located in the Waipa Catchment.
- The Vision and Strategy was being tested through the hearings process for the Council's Proposed Plan Change 1. The impact for the Proposed Plan Change 1 was on the four contaminants and it was noted that the Vision and Strategy related to everything about the river, and not just the contaminants.
• A member asked whether there would be consideration from the authority for beautification projects within the area of the City. It was noted that Hamilton City Council had been interested in this as well and were invited to enter into discussions with the Authority so projects could be considered on a case by case basis. The fund was not used for funding or building assets. The Authority was working towards a better working relationship with the City.

• Members noted that there was already a good working relationship with the Ngati Haua Mahi Trust.

• A member noted concern that local authorities may not have clarity on the Vision and Strategy. In response it was noted that it had been clear from the outset that the local authorities had an understanding of the Vision and Strategy and were aware that it sat higher than the National Policy Statement.

• All River Iwi were aware that the next stages would be to agree on the work plan from this point for the review. The Ministry for the Environment work programme would be discussed at the next meeting of the Chief Executives in April 2019.

• A member noted a regional concern relating to koi carp in some rivers and lakes. They noted there was not sufficient support from Central Government in addressing the concern for the region which was having an impact on sediment and pollution. It was noted that the pest problem was on the radar for the authority and there were discussions as to what the authority could do, noting there was a need for a strategy and long term solution. The Department of Conservation had overall responsibility for the pest.

WRC19/47

Moved by: Cr F Lichtwark
Seconded by: Cr K White

THAT the verbal report from Waikato River Authority Advisor, Policy and Engagement - Julian Williams be received.

The motion was put and carried

5.3 Presentation Water Science Prize

At 12.58pm the Chair welcomed Emily Sopers the prize winner for the Water Sciences prize as recommended by the University of Waikato.

By way of background the Chair advised the Water Sciences Prize was established in 1990 by Sir Ross Jansen with the University of Waikato Earth Sciences Department and was awarded annually to the top student enrolled in water science papers within the School of Science (Faculty of Science and Engineering), in Level 3 courses.

Emily spoke to the meeting advising she was in her fourth and final year of her Environmental Engineering studies at the University of Waikato and she has an interest in land and water management.

The meeting adjourned at 1.03pm.
The meeting reconvened at 1.45pm

Crs R Rimmington, Vercoe and Kneebone were out of the meeting at 1:45 pm.

6. Committees Reporting to Council

6.4 Audit and Risk Committee

Minutes of the Audit and Risk Committee meeting of 7 March 2019.

Report from the Chair of the Audit and Risk Committee following the meeting of 7 March 2019.

Cr Hennebry spoke to the minutes. (Doc #13942281 attached as appendix 4)

During questions, answers and related discussion the following points were noted:

- the report on freshwater was reportedly due in May and was referred to in the Chair’s report. A member requested that the item on report be held in a wider committee such as Strategy and Policy. Members and staff agreed this approach would be useful.

Cr H Vercoe joined the meeting at 1:49 pm.

WRC19/48
Moved by: Cr J Hennebry
Seconded by: Cr T Mahuta

THAT the minutes of the Audit and Risk Committee meeting of 7 March 2019 be received (Doc#13942281)

THAT the Section A decisions be noted.

THAT the Section B recommendations be adopted:

External Audit report

THAT the Draft Audit Plan for the 2018/19 audit process be approved.

The motion was put and carried

WRC19/48.1
Moved by: Cr J Hennebry
Seconded by: Cr T Mahuta

THAT the report from the Audit and Risk Chair for the 7 March 2019 meeting be received.

The motion was put and carried
7. **Hearing Committee Reports in terms of the Resource Management Act 1991.**

7.1 **Land Information New Zealand - Tokanui**

Decision by independent hearing commissioners appointed by Waikato Regional Council and Waikato River Authority in the matter of a resource consent application by Land Information New Zealand to discharge treated wastewater from the Tokanui Hospital and the Tokanui Village to the Wharekorino Stream. (Doc#14011262)

There were no questions on the decision report and members noted it was a short term consent.

**WRC19/49**

**Moved by:** Cr A Livingston  
**Seconded by:** Cr F Lichtwark

THAT the decision by independent hearing commissioners appointed by Waikato Regional Council and Waikato River Authority in the matter of a resource consent application by Land Information New Zealand to discharge treated wastewater from the Tokanui Hospital and the Tokanui Village to the Wharekorino Stream (Doc#14011262) be noted.

The motion was put and carried

8. **Ordinary Business**

8.1 **Health and Safety Council Report - February 2019**

Report on the monthly health and safety council dashboard and any other topics regarding health and safety of relevance to council.

The report was presented by Director Community and Services (N Williams) and the Manager People and Capabilities (N Ollington).

During questions, answers and related discussion the following points were noted:

- the upcoming changes in legislation would be monitored and the additional risk that may be related to the domestic violence leave entitlement would be monitored. The entitlement was 10 days per year, did not accrue and was available to staff after 6 months of service. The entitlement was able to be used for current or historical events. Oversight of the leave would be maintained but for the privacy of the staff it would not be appropriate for it to be reported through the monthly report.
- there was further work to be completed to determine policy for the organisation and to determine the level of evidence the organisation would be comfortable with accepting. The legislation was vague on the detail, but did confirm that employers had the ability to require evidence. It could be in the form of a doctors certificate, a police report or a victim statement.
- in response to a question about council’s involvement in the health and safety requirements associated with drainage maintenance members were advised
that there were obligations if council undertook activities and for staff to ensure that there were risk management plans in place for specific locations.

Cr S Kneebone joined the meeting at 1:59 pm.

- the member noted, following a drainage site visit they attended earlier in the week, a number of health and safety concerns they had about the site. The site visit included staff and members of the drainage committee. In response to the concerns the member was advised that staff would follow up to establish whether all the required needs and responsibilities were being met at the site.
- a member enquired after the bus driver who had been recently assaulted. In response members were advised there was no new information to give to members at the time of the meeting. In terms of the responsibility for the drivers council had limited responsibility and the full responsibility rested with the employer. The expectations of council was that those responsibilities were being followed.

Cr Husband noted his apologies. He left the meeting to attend other council related business.

Cr S Husband left the meeting at 2:04 pm.

WRC19/50

Moved by: Cr B Quayle
Seconded by: Cr J Hennebry


The motion was put and carried

8.2 2019 to 2020 Draft Annual Plan Budget

Report to update council on the outstanding matters identified in the December 2018 meeting to approve the 2019/2020 Draft Annual Plan budget.

The report was presented by the Chief Executive Officer (V Payne) and the Chief Financial Officer (J Becker). The report was addressed section by section and key managers spoke to their areas of the report.

Further to the content of the report, it was noted that compliance with changes to legislation in relation to meal and tea breaks under the Employment Relations Amendment Act have potential funding and service delivery impacts in relation to public transport services. An option for council to address this would be to look at reducing services. An independent review of council’s schedules (including service frequency) in being undertaken to ascertain how the breaks for drivers could be accommodated.

With respect to Hamilton to Auckland passenger rail, there were no questions from members and it was acknowledged that further detail on the project would be reported through the CE Submission.
There was no presentation on the Waikato Regional Theatre as this matter had been discussed with Hamilton City Council General Manager Venues, Tourism and Major Events - Sean Murray, earlier in the meeting.

Communications Manager (N Chrisp) and Director Community and Services (N Williams) spoke to the Environmental Education section of the report.

During questions, answers and related discussion the following points were noted:

- a member noted they did not support any further growth within this area of business noting that the matter had been discussed at length and that it could not keep growing in to the senior schools without sufficient support from other authorities. In response it was a noted increase in support from the territorial authorities in this area and there was also opportunities for growth with partnership with philanthropic organisations like Trust Waikato. Further partnerships were being explored as there was a move towards whanau based learning and consideration for career pathways.
- within paragraph 48 and the additional funding it was noted that Taupō wasn't mentioned. By way of explanation members were advised that there was work underway with Taupō, however the focus had been on the higher waitlist areas.
- the prior model for the education strategy had been competitive and with an update this had changed council was discussing opportunities to collaborate with groups like Kids Green and find a new way forward in this area.
- a member noted this was an important area and as the children of the ratepayers they were the future of the region. A small amount of money to get in behind the community demand would see good things done in the community.
- territorial authorities were in support of increasing funding in the environmental education area for their districts.

The Director Community and Services (N Williams) spoke to the Stock Truck Effluent section of the report.

During questions, answers and related discussion the following points were noted:

- the programme of work had been highlighted for council some time ago and in particular the increasing cost of maintenance of the disposal of effluent. There would be a need to return to council through the Long Term Plan process to seek further resource to fund the ongoing programme. The costs were part of a multi party funding agreement between council, the New Zealand Transport Agency and the territorial authority. There was no proposed financial impact on the current Annual Plan.
- there was comprehensive research that was undertaken by AECOM who had been commissioned by the New Zealand Transport Agency that established the proposed 10 sites. The locations took in to account the volume of vehicles, visibility of the site and the distance between the sites.
- the funding for the programme was provided for through a targeted rate on properties over 2ha and a portion of the general rate. Noting that many of the
vehicles who would use the sites were passing through the region this was considered a fair approach to the funding arrangement.

• the site situated at Taupō was a private site that had been established in 2000 and was still operational. This site was situated to the North of Taupō. The proposed new site at Taupō was to be established on the south east side of the lake along the Taupō/Napier highway and would pick up a different stream of traffic.

The Chief Executive spoke to the staff remuneration section of the report, noting that the increase included provision for matching market changes.

During questions, answers and related discussion the following points were noted:

• staff were the biggest asset for the organisation and it was important that the significant investment in this asset was protected.
• a member noted their need for further justification and evidence to support the proposed 2.5% increase rather than the 1.6%. In response members were advised that the level of detail sought would be reported through the CE Employment and Remuneration Committee on 9 April 2019.
• the turnover of staff at any one point was around 12.5% and the vacancies were anticipated within the budget.
• members noted that in 2013 the turnover had been around 6-7% and it was now up at around the 14% range.
• a member noted there would be a number of challenges for council between now and entering the new building in 2020 and extra effort now could see staff retained through that period.

The Chief Financial Officer (J Becker) spoke to the Prior year surplus funds section of the report, noting the proposed action of using a portion of the surplus to support the Connect 2020 project.

During questions, answers and related discussion the following points were noted:

• the proposed 7.9% average increase was unsupportable and the member noted their preference for the whole surplus to be applied to provide some remission of rates for the ratepayers.
• noting agreement with the sentiment another member noted that the funds for the Connect 2020 should be found from other funding sources, particularly the cost of furniture. The member acknowledged the project for paper minimisation should be supported as they saw it to be a one off cost leading up to the move.
• part of the challenge for council and staff with the ways of working in the new building was that furniture would need to be consistent which would involve a transition away from the current stock of furniture towards what council would be moving towards. The proposed funds were sought to future proof and ensure what was installed was appropriate for the new building.
• The Chief Executive noted that council would work within the budget that was applied to the project by using the surpluses that had been achieved in other areas.

Noting the staff recommendations from the report had not been moved or seconded, Cr Hennebry moved a motion for council to approve the entire surplus to be used to offset the general rate required. Cr Vercoe seconded the motion.

Cr Minogue, noting the staff recommendation "That the council approves the application of the unallocated prior year surplus funds of $201,200 to support the Connect 2020 mobility strategy" proposed his amendment to Cr Hennebry's motion:

"THAT the council approves the application of the unallocated prior year surplus funds of $150,000 to support the Connect 2020 mobility strategy and the balance of $161,000 to be used to offset General Rate required."

Cr Mahuta seconded Cr Minogue's amendment.

For clarity members were advised that the decision around the funding towards the project was required in order for staff to optimise the bulk purchasing power and provide certainty for the project. The amendment provided a compromise to support the project as well as to apply to offsetting rates.

With no further questions or discussion on the matter, the Chair put the amendment. The amendment was carried and the Chair put the substantive motion. The substantive motion was carried.

Members noted the discussion that had been held on each of the sections of the report, and the Chair noted his intention to put each of the remaining staff recommendations separately. In applying the $161,000 to rates reduction the increase in rates revenue would move from 7.9% to 7.8%.

Moved by: Cr J Hennebry  
Seconded by: Cr H Vercoe

THAT Council approves the entire surplus of the unallocated prior year surplus funds of $311,000 to be used to offset the General Rate required.

Cr Hennebry left the meeting at 3.14pm.

Amendment:  
WRC19/51  
Moved by: Cr D Minogue  
Seconded by: Cr T Mahuta

THAT the council approves the application of the unallocated prior year surplus funds of $150,000 to support the Connect 2020 mobility strategy and the balance of $161,000 to be used to offset the General Rate required.
The motion was put and carried

Cr Hennebry absent during the vote.

Crs Vercoe and White voted against the motion

WRC19/52

Moved by: Cr D Minogue
Seconded by: Cr T Mahuta

Substantive

THAT the council approves the application of the unallocated prior year surplus funds of $150,000 to support the Connect 2020 mobility strategy and the balance of $161,000 to be used to offset General Rate required

The motion was put and carried

Cr Hennebry absent during the vote.

Cr White voted against the motion.

Cr Hennebry returned to the meeting at 3.16pm.

WRC19/53

Moved by: Cr A Livingston
Seconded by: Cr B Quayle

1. THAT the report “2019/20 Draft Annual Plan budget” (Doc #13816081 dated 15 March 2019) be received, and

The motion was put and carried

WRC19/54

Moved by: Cr H Vercoe
Seconded by: Cr B Quayle

2. THAT the council approves the updates to the targets for the Civil Defence and Emergency Management performance measure as outlined in paragraph 88 (Doc#13816081)

The motion was put and carried

WRC19/55

Moved by: Cr A Livingston
Seconded by: Cr S Kneebone

3. THAT the council approves the draft annual plan budget for 2019/20, with total rates revenue of $101.355million and a proposed increase in rates revenue from current ratepayers of 7.8%.

The motion was put and carried
Crs Hennebry and White voted against the motion.

WRC19/56
Moved by: Cr T Mahuta
Seconded by: Cr F Lichtwark

4. THAT Council delegates authority to the Chief Executive to approve the Capital Funding agreement with Kiwirail for the completion of the rolling stock refurbishment and other capital works subject to NZTA confirming WRC carries no residual funding liability i.e all costs payable to Kiwirail will be recovered from NZTA.

The motion was put and carried

Cr Hennebry voted against the motion.

8.3 Healthy Environments – Appointment of Regional Plan Review Committee members; Consultation on Aquaculture Issues

Report to confirm membership of the Healthy Environments Regional Plan Review Committee (RPRC). The report served to also update council on the proposed consultation process on aquaculture issues in relation to the regional and coastal plan review (Healthy Environments) and to seek council’s endorsement of the proposed consultation approach.

The report was taken as read. There being no discussion Cr Livingston moved the recommendations from the report noting the proposed councillors to fill the positions should be Crs Minogue, Hayman, Quayle, Husband, Kneebone and White. He further noted the alternate members should be Crs Livingston and Mahuta, and nominated Cr Kneebone as the Chair.

Cr Minogue seconded the motions as identified.

Cr Hayman moved an amendment, naming Cr Lichtwark as the member to represent Waikato District. Her reason for replacing herself within the Chair’s nomination was to acknowledge she had voted against the representation arrangement for the Committee at the February Council meeting and therefore did not feel she could undertake the role.

Cr Vercoe seconded the amendment.

There being no further discussion the amendment was put and carried.

The amendment became the substantive motion and was put and carried.

Moved by: Cr A Livingston
Seconded by: Cr D Minogue
1. That the report ‘Healthy Environments – Update/Regional Plan Review Committee Arrangements/Planned Consultation on Aquaculture Issues’ (Doc # 13896063 dated 15 March 2019) be received.

2. That the 6 elected members appointed to the Regional Plan Review Committee (with appointments covering the geographical constituent boundaries of Thames-Coromandel, Waikato, Hamilton, Waihou, Waipa, and Taupo), shall be Councillors Minogue (Thames-Coromandel), Hayman (Waikato), Quayle (Hamilton), Husband (Waihou), Kneebone (Waipa) and White (Taupo).

3. That the 2 elected members appointed to the Regional Plan Review Committee as alternates shall be Councillors Livingston and Kneebone.

4. That Councillor Kneebone be nominated as the Chair of the Regional Plan Review Committee.

5. That the Council resolves to appoint 6 iwi members to the Regional Plan Review Committee, as nominated by each of the following iwi authorities from each of the following iwi authorities:
   - Te Arawa River Iwi Trust
   - Tūwharetoa Maori Trust Board
   - Raukawa Charitable Trust
   - Maniapoto Māori Trust Board
   - Waikato Raupatu River Trust
   - Pare Hauraki (Hauraki iwi collective).

6. That Council endorse the approach outlined and the initial aquaculture consultation schedule included as Attachment 1, noting that that it will be further developed as the review of the regional and coastal plan progresses.

Amendment:
WRC19/57

Moved by: Cr J Hayman
Seconded by: Cr H Vercoe

1. That the report ‘Healthy Environments – Update/Regional Plan Review Committee Arrangements/Planned Consultation on Aquaculture Issues’ (Doc # 13896063 dated 15 March 2019) be received.

2. That the 6 elected members appointed to the Regional Plan Review Committee (with appointments covering the geographical constituent boundaries of Thames-Coromandel, Waikato, Hamilton, Waihou, Waipa, and Taupo), shall be Councillors Minogue (Thames-Coromandel), Lichtwark (Waikato), Quayle (Hamilton), Husband (Waihou), Kneebone (Waipa) and White (Taupo).

3. That the 2 elected members appointed to the Regional Plan Review Committee as alternates shall be Councillors Livingston and Kneebone.

4. That Councillor Kneebone be nominated as the Chair of the Regional Plan Review Committee.
5. That the Council resolves to appoint 6 iwi members to the Regional Plan Review Committee, as nominated by each of the following iwi authorities from each of the following iwi authorities:

- Te Arawa River Iwi Trust
- Tūwharetoa Maori Trust Board
- Raukawa Charitable Trust
- Maniapoto Māori Trust Board
- Waikato Raupatu River Trust
- Pare Hauraki (Hauraki iwi collective).

6. That Council endorse the approach outlined and the initial aquaculture consultation schedule included as Attachment 1, noting that that it will be further developed as the review of the regional and coastal plan progresses.

The motion was put and carried

WRC19/58
Moved by: Cr J Hayman
Seconded by: Cr H Vercoe

Substantive

1. That the report ‘Healthy Environments – Update/Regional Plan Review Committee Arrangements/Planned Consultation on Aquaculture Issues’ (Doc # 13896063 dated 15 March 2019) be received.

2. That the 6 elected members appointed to the Regional Plan Review Committee (with appointments covering the geographical constituent boundaries of Thames-Coromandel, Waikato, Hamilton, Waihou, Waipa, and Taupo), shall be Councillors Minogue (Thames-Coromandel), Lichtwark (Waikato), Quayle (Hamilton), Husband (Waihou), Kneebone (Waipa) and White (Taupo).

3. That the 2 elected members appointed to the Regional Plan Review Committee as alternates shall be Councillors Livingston and Kneebone.

4. That Councillor Kneebone be nominated as the Chair of the Regional Plan Review Committee.

5. That the Council resolves to appoint 6 iwi members to the Regional Plan Review Committee, as nominated by each of the following iwi authorities from each of the following iwi authorities:

- Te Arawa River Iwi Trust
- Tūwharetoa Maori Trust Board
- Raukawa Charitable Trust
- Maniapoto Māori Trust Board
- Waikato Raupatu River Trust
- Pare Hauraki (Hauraki iwi collective).
6. That Council endorse the approach outlined and the initial aquaculture consultation schedule included as Attachment 1, noting that it will be further developed as the review of the regional and coastal plan progresses.

The motion was put and carried

8.4 Waikato Local Authority Shared Services - Draft Statement of Intent 2019-20 and Six Monthly report to Shareholders to 31 December 2018


The report was presented by the Chief Executive (V Payne).

During questions, answers and related discussion the following points were noted:

- it was important for council in the first instance to seek to have a shared service arrangement when looking at major corporate investments like Reboot. At the time that IRIS was first proposed, council sought a syndicate with other regional councils to build software which became IRIS. It was anticipated over time that with the Reboot project other councils may come on board to facilitate more shared services.

- where the CE is appointed to represent an authority, their role on that board is vacated should they end their employment with the authority and council would seek to appoint a replacement.

- the current directors agreed with the proposed governance changes, however if there were proposed changes from the respective councils, this would be bought back to council for further discussion.

Cr R Rimmington joined the meeting at 3:27 pm.

WRC19/59
Moved by: Cr H Vercoe
Seconded by: Cr B Quayle

1. THAT the report “Waikato Local Authority Shared Services - Draft Statement of Intent 2019-20” (Doc #13912716, the “Six Monthly report to Shareholders to 31 December 2018” (Doc #13908912 dated 6 March 2019) and the “Changes to WLASS governance arrangements” document (Doc #13954577) be received for information, and

2. THAT Council endorses the draft Waikato Local Authority Shared Service Statement of Intent 2019/20

3. THAT Council endorses the proposed changes to WLASS governance arrangements.

The motion was put and carried
8.5 Regional Software Holdings Limited Six Monthly Report to Shareholders and Draft Statement of Intent 2020-22

Report to present both the Regional Software Holdings Limited (RSHL) six monthly report to shareholders to 31 December 2018 and the RSHL draft Statement of Intent 2020-2022 to council.

The report was taken as read and there was no further discussion.

WRC19/60
Moved by: Cr R Rimmington
Seconded by: Cr A Livingston

1. THAT the report ‘Regional Software Holdings Limited Six Monthly Report to Shareholders and Draft Statement of Intent 2020-22’ (Doc #13923202) be received for information,

2. THAT Council endorse the draft Regional Software Holdings Limited Statement of Intent 2020-2022 (Doc #13863675).

The motion was put and carried

10. Public Excluded Section

Resolution to Exclude the Public

WRC19/61
Moved by: Cr B Quayle
Seconded by: Cr R Rimmington

THAT the public be excluded from the following part/s of the meeting:

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

Good reason to withhold exists under Section 7.

That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

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

Item Name: Council Minutes 28 February 2019
- Maintenance of the law and the right to a fair trial (Section 6(a)).
- Protect the privacy of natural persons, including that of deceased natural persons (Section 7(2)(a))
- Protect information where the making available of the information
- (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Section 7(2)(b))
- In the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the Resource Management Act 1991, to avoid serious offence to Tikanga Māori, or to avoid the disclosure of the location of waahi tapu (Section 7(2)(ba))
- Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information -
  - would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or
  - would be likely otherwise to damage the public interest (Section 7(2)(c))
- Avoid prejudice to measures that prevent or mitigate material loss to members of the public (Section 7(2)(e))
- Maintain legal professional privilege (Section 7(2)(g))
- Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (Section 7(2)(h))
- Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Section 7(2)(i))
- Prevent the disclosure or use of official information for improper gain or improper advantage (Section 7(2)(j))

Item Name: Finance Committee 19 February 2019
- Protect the privacy of natural persons, including that of deceased natural persons (Section 7(2)(a))
- Protect information where the making available of the information
- (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Section 7(2)(b))
• Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (Section 7(2)(h))

**Item Name: Audit and Risk Committee 7 March 2019**

• Protect information where the making available of the information

• (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Section 7(2)(b))

• Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information -
  o would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or
  o would be likely otherwise to damage the public interest (Section 7(2)(c))

• Avoid prejudice to measures protecting the health or safety of members of the public (Section 7(2)(d))

• Avoid prejudice to measures that prevent or mitigate material loss to members of the public (Section 7(2)(e))

• Maintain legal professional privilege (Section 7(2)(g))

• Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (Section 7(2)(h))

• Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Section 7(2)(i))

• Prevent the disclosure or use of official information for improper gain or improper advantage (Section 7(2)(j))

**Item Name: Hamilton Properties**

• Protect information where the making available of the information

• (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Section 7(2)(b))

The motion was put and carried.

**Matters reported to Open Meeting.**

The meeting returned to open meeting at 3.36pm. During the public excluded section of the meeting the following decisions were made:
• THAT council approve the proposed sales strategy for 319 Grey Street, Hamilton East and authorise the Chief Executive to proceed with the sales process as outlined in paragraphs 11 to 15 in Doc13954835.

• THAT the council approve the Project Reboot Business Case (Doc # 13586603)

• THAT, subject to the completion of contract negotiations, the council delegate authority to sign the contract with Infor to the Chief Executive.

The meeting closed at 3.36pm.

__________________________
Chair
Appendix 1
1. **Apologies**  
(Agenda Item 1)

The apology from Councillor T Mahuta (ex officio) was received.

FC19/04

**Moved by:** Cr D Minogue  
**Seconded by:** Cr H Vercoe

**RESOLVED**

THAT the apology of Cr T Mahuta be accepted.

The motion was put and carried

2. **Confirmation of Agenda**  
(Agenda Item 2)

FC19/05

**Moved by:** Cr Stuart Kneebone  
**Seconded by:** Cr Dal Minogue

**RESOLVED**

THAT the agenda of the Finance Committee of 19 February 2019 be confirmed as the business for the meeting.

The motion was put and carried

3. **Disclosures of Interest**  
(Agenda Item 3)

There were no disclosures of interest.

4. **Issues and Actions from Finance Committee Meetings**  
(Agenda Item 4)

Chief Financial Officer (J Becker) presented the report that provided an update on the actions and issues raised from the previous Finance Committee meetings.

During questions, answers and related discussion Committee members raised or noted the following matters:

- J Becker noted that the peat soils monitoring programme contract was awarded to Landcare Research and will operate from 2018/19 to 2020/21. This was approved through a business plan under the Long Term Plan. The total cost is $390,000.
- Queries were raised whether monitoring data for peat soils has been compiled by external agencies already and whether we have sought this information to assist with the peat soils monitoring programme contract. Staff will provide further advice on this to the committee.
- A member queried a request from the New Zealand National Fieldays Society for sponsorship of bus services to the Fieldays. Staff to investigate this request and whether it fits within the sponsorship provision of the Regional Public Transport Plan.
FC19/06

Moved by: Cr S Kneebone
Seconded by: Cr B Quayle

RESOLVED

THAT the report "Matters arising from previous meetings minutes" (Doc# 13738590 dated 8 February 2019) be received.

The motion was put and carried

5. 2018/19 Rates information to 31 December 2018

(Agenda Item 5)

Chief Financial Officer (J Becker) presented the report to provide the committee with 2018/19 rates information as at 31 December 2018.

During questions, answers and related discussion Committee members raised or noted the following matters:

- Members discussed the Ngati Maru Rating Exemption Bill and status of rates paid to date by Ngati Maru. It was noted that the matter is yet to be resolved. This is to be worked through between the Chief Executive and representatives of Ngati Maru.
- Members queried about the consortium for postponed rates. Noted that the consortium has been dissolved, however Council still provide postponement as an option under its rates policy of which there has been minimal uptake. The trend is that rate payers prefer not to use the option of postponement due to regional rates being perceived as easier to pay compared to higher territorial rates. Another reason is that rate payers are concerned of the liability left for family members.

FC19/07

Moved by: Cr H Vercoe
Seconded by: Cr B Quayle

RESOLVED

THAT the report "2018/19 Rates information to 31 December 2018" (Doc# 13742145 dated 1 February 2019) be received.

The motion was put and carried
SECTION B: FOR RECOMMENDATION TO COUNCIL

6. Financial performance monitoring and forecast as at 31 December 2018
   (Agenda Item 6)

Chief Financial Officer (J Becker) presented the report that provided the committee with an overview of the council's financial performance for the period to 31 December 2018, together with the outcome from the second quarter financial forecast.

During questions, answers and related discussion Committee members raised or noted the following matters:

- Discussion was had regarding allocation of the prior year surplus funds ($311,000), specifically the use of these funds to deliver on the mobility strategy with specific emphasis on paper saving initiatives and workstation set up.
- Highlighted that the council is able to access All of Government contracts for the purchase of new workstation equipment which provides good value for money.
- Staff were ensuring that all new purchases would be suitable for use within the new building.
- Members requested that the prior year surplus funding allocation as set out in the report be referred to the annual plan process in March. This was to allow the council to consider this funding request against others identified through the annual plan process.
- The key drivers contributing to variances in direct cost expenditure lie with Integrated Catchment Management, Science and Strategy and Flood Protection and Control. Questions were raised about accuracy of phasing and estimated timing of anticipated spend. Staff continue to discuss the phasing of budgets with all budget managers to ensure that this information is reflective of anticipated actual expenditure. It was noted that the forecast was currently indicating that budgets would be fully spent by the end of the financial year.
- A member queried about how budget phasing of Opex and Capex is determined. It was noted that budgets were apportioned based on the anticipated spend profile for each project. Staff noted that historic trends could also be included in reporting to assist with understanding budget variations.
- Reimbursement from loss of public transport fare revenue as a result of strike action was discussed. Contractual arrangements provide for abatements to be charged. Staff are currently working through this process.
FC19/08

Moved by: Cr H Vercoe
Seconded by: Cr A Livingston

RESOLVED

1. THAT the report "Financial performance monitoring and forecast as at 31 December 2018" (Doc# 13644512 dated 7 February 2019) be received; and

RECOMMENDED

2. THAT the committee recommend to council the proposed allocation of prior year surplus funds as set out in this report (Doc# 13644512) is referred to the annual plan process; and

3. THAT the committee recommend to council the approval of the forecast budget adjustments as set out in this report (Doc#13644512).

The motion was put and carried

7. 2018/19 second quarter non-financial performance results

Manager Corporate Planning (N Hubbard) presented the report to inform the Committee of the 2018/19 second quarter non-financial performance results.

During questions, answers and related discussion Committee members raised or noted the following matters:

- A member requested that the status of performance measure #6.6 regarding rail service implementation be monitored going forward to reflect the status of the project as a whole, with particular attention given to explain work being undertaken to reach the target date of March 2020. Progress commentary will be added to the next quarterly non-financial performance results.

- A member requested that the status of performance measure #1.4 regarding recording and reporting of stakeholder interactions be monitored going forward. Noted update commentary was needed to ensure members have visibility of how staff intend to capture and report on interactions going forward in order to achieve the end of year target.

- Members requested commentary for all measures marked with a dash or as “not applicable”. Commentary was to provide clarity of reason for marked status and also to outline progress towards reaching the target, if applicable.

- A member requested that they be provided with detail of council procurement guidelines for buying locally.

- An oversight in the performance measure text of #5.2 and #5.3 was highlighted – the text should be “less than” not “more than”.

- The implication of updating the targets for the Civil Defence and Emergency Management Performance measures to remove work that is no longer going to be undertaken by the Ministry of Civil Defence and Emergency Management and reflect work under the council’s control is currently being discussed with Audit NZ.
Moved by: Cr H Vercoe
Seconded by: Cr B Quayle

RESOLVED

THAT the report "2018/19 second quarter non-financial performance results" (Doc# 13734783 dated 31 January 2019) be received for information.

The motion was put and carried

8. Treasury Management and Monitoring Report to 31 December 2018
   (Agenda Item 10)

Chief Financial Officer (J Becker) presented the report providing an update on the performance of the council's investment fund and cash management for the period ended 31 December 2018 and the status of the council's external borrowing programme for this same period.

Moved by: Cr H Vercoe
Seconded by: Cr A Livingston

THAT the report "Treasury Management and Monitoring Report to 31 December 2018" (Doc# 13742889 dated 3 February 2019) be received for information.

The motion was put and carried

9. Mercer Investment Monitoring Report to 31 December 2018
   (Agenda Item 11)

Representatives from Mercer (Russell Garrett and Brian Kearney) presented a verbal update on the quarterly investment monitoring report to 31 December 2018.

In summary:

- The December quarter was challenging with the Diversified Fund delivering -2.2% against benchmark performance of -2.5%. Year to date performance saw a return of -0.2% against benchmark of -0.6%
- The Diversified Fund has continued to outperform its benchmark over the last three years, while taking less risk than many other strategies
- January was a stronger month, with the NZX 50 index rising 2.0%, ASX showing recovery of +3.9% and developed markets up 7.2% for the month
- Remain cautiously optimistic about returns over the course of 2019, although expect volatility to continue

Representatives from Harbour Asset Management (Andrew Bascand and George Henderson) presented a verbal update on the Harbour Australasian Equities Growth Fund and Short Duration Fund.

In summary:
• A difficult December quarter for markets
• Economic growth was weakened
• Recent recovery in equity prices reflecting pause in interest rate rises
• New Zealand interest rates on hold

FC19/11

Moved by: Cr S Kneebone
Seconded by: Cr D Minogue

RESOLVED

THAT the report Mercer Quarterly Investment Monitoring Report to 31 December 2018
(Doc# 13765358 dated 7 February 2019) be received for information.

The motion was put and carried

Cr F Lichtwark joined the meeting at 11.39am

Adjourned for lunch at 12.16pm, resumed meeting at 12.49pm

Cr J Hayman joined the meeting at 12.49pm

10. Tender Board Contracts for the period 1 October to 31 December 2018

(Agenda Item 8)

Chief Financial Officer (J Becker) presented the report to outline the contracts awarded by
the Tenders Board for the period 1 October to 31 December 2018.

During questions, answers and related discussion Committee members raised or noted the
following matters:

• A member queried how contractor performance was taken into account through tender
evaluation approval process.
• Members reiterated the need for the Peat Soil Subsidence Monitoring programme to
take into account monitoring data already compiled by external agencies.

Cr B Simcock joined the meeting at 1.44pm
Cr S Husband joined the meeting at 1.57pm

FC19/10

Moved by: B Quayle
Seconded by: H Vercoe

RESOLVED

THAT the report "Tenders Board Contracts for the period 1 October to 31 December 2018"
(Doc# 13713183 dated 29 January 2019) be received for information.

The motion was put and carried
11. Councillor and Chief Executive Expenses for quarter ended 31 December 2018
(Agenda Item 9)

Chief Financial Officer (J Becker) presented the report to provide the committee with a summary of the councillors and Chief Executive's expenses for the quarter ended 31 December 2018.

During questions, answers and related discussion Committee members raised or noted the following matters:

- Members queried the allocation of costs for training – should they be split between invitee’s vs those that attended. Also requested that interest in training be confirmed with all councillors before arranging.
- Members discussed the level of detail provided for accommodation and meals costs. Noted a report with a full break down of costs was circulated to all members prior to the committee.

FC19/11

Moved by: Cr D Minogue
Seconded by: Cr S Kneebone

THAT the report "Councillor and Chief Executive Expenses for the quarter ended 31 December 2018" (Doc# 13765045 dated 7 February 2019) be received for information.

The motion was put and carried

12. Public Excluded Section

FC19/12

Moved by: Cr A Livingston
Seconded by: Cr D Minogue

RESOLVED

That the public be excluded from the following part/s of the meeting:

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

<table>
<thead>
<tr>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
</table>

Appendix 1
Appendix 1

Finance Committee meeting of 19 February 2019

12.1 Non-rates Debtors

Good reason to withhold exists under Section 7.

That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

Section 48(1)(a)

12.2 Public Excluded Minutes of Contracts Subcommittee

Good reason to withhold exists under Section 7.

That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

Section 48(1)(a)

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

<table>
<thead>
<tr>
<th>Item No</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.1</td>
<td>• Protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a)); and&lt;br&gt;• Protect information where the making available of the information: (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Schedule 7(2)(b))</td>
</tr>
<tr>
<td>12.2</td>
<td>• Protect information where the making available of the information: (i) would disclose a trade secret; or (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Schedule 7(2)(b)); and&lt;br&gt;• Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (Schedule 7(2)(h)).</td>
</tr>
</tbody>
</table>

The motion was put and carried

Return to Open Meeting at 2.15pm

Meeting closed at 2.18pm

_________________________
Chair
Waikato Regional Council

Regional Transport Committee

MINUTES

Date: Monday, 4 March, 2019, 9:30 am
Location: Council Chamber
Waikato Regional Council
401 Grey Street
Hamilton East

Members Present:
Cr H Vercoe - Chair (Waikato Regional Councillor)
Cr R Rimmington - Deputy Chair (Waikato Regional Council)
Mayor A King (Hamilton City Council)
Cr T Adams (Hauraki District Council)
Mayor J Barnes (Matamata-Piako District Council)
Mayor M Baxter (Otorohanga District Council)
Cr B Machen (South Waikato District Council)
Cr A Park (Taupō District Council)
Cr S Christie (Thames Coromandel District Council)
Cr D Fulton (Waikato District Council)
Cr G Webber (Waipa District Council)
Mayor B Hanna (Waitomo District Council)
R I’Anson (New Zealand Transport Agency)
Inspector M Lynam (Inspector, New Zealand Police, Waikato Region)

Waikato Regional Council Staff Present:
M Tamura (Manager - Integration and Infrastructure)
N King (Team Leader - Transport and Infrastructure)
G Dawson (Democracy Advisor)
SECTION A: UNDER DELEGATION AND FOR THE INFORMATION OF COUNCIL

1. Apologies

Apologies were received from Cr D Macpherson.

RTC19/01

Moved by: Cr R Rimmington  
Seconded by: Cr H Vercoe

RESOLVED

THAT the apologies of Cr D Macpherson be accepted.

The motion was put and carried

2. Confirmation of Agenda

The agenda was approved as presented.

RTC19/02

Moved by: Cr H Vercoe  
Seconded by: Mayor B Hanna

RESOLVED

THAT the agenda of the meeting of the Regional Transport Committee of 4 March 2019, as circulated, be confirmed as the business for the meeting.

The motion was put and carried

3. Disclosures of Interest

There were no disclosures of interest.

4. Confirmation of Minutes

There were no amendments requested.

RTC19/03

Moved by: Cr R Rimmington  
Seconded by: Cr S Christie

RESOLVED

THAT the minutes of the Regional Transport Committee dated 5 November 2018 be accepted as a true and accurate record.
The motion was put and carried

5. **Quarterly Report - New Zealand Transport Agency**

This report was presented by the representative of the New Zealand Transport Agency (Acting Regional Relationship Director - R I’Anson). The report was taken as read. It provided the Committee with an update for the period to 4 March 2019.

The following matters were raised:

- The changes to the intersection at Piarere were discussed. It was noted that the planned changes, incorporating Rural Intersection Activated Warning Signs (RIAWS), sought to reduce the speed of approaching road users, increase the level of safety, and reduce the number of road crashes in that area. Concern with the progress of implementation of works at the Piarere intersection was voiced.
- The need for the local government sector to plan, negotiate, and implement infrastructure projects together with the New Zealand Transport Agency was discussed. It was noted that the approach would result in an improved strategic and co-ordinated approach to the investment and maintenance of transport infrastructure across the Waikato region. The Committee highlighted the benefits that could come from more collaboration and welcomed the future opportunities to do so.

RTC19/04
Moved by: Mayor J Barnes
Seconded by: Mayor B Hanna

**RESOLVED**

That the report ‘New Zealand Transport Agency – Quarterly Report’ (Doc # 13739096 dated 13 February 2019) be received.

The motion was put and carried

6. **Safe Network Programme - New Zealand Transport Agency**

This report was presented by the Acting Safe Network Programme Area Manager, New Zealand Transport Agency (K Clarke) and the Waikato Regional Council Special Projects Advisor, Integration and Infrastructure (B McMaster). The report provided an update on the New Zealand Transport Agency’s Safe Network Programme.

The following matters were raised:

- The matter of insufficient resourcing from central government to address and work towards central government aims of rural road safety was discussed. It was emphasised that local government needed extra resource to complete the desired work. Work to remedy the problem was ongoing and New Zealand Transport Agency was currently working on resource allocation.
• Speed Management Plans were discussed. It was noted that financial and resourcing constraints applied for some territorial authorities, which would have an impact on the management and implementation of the plans in some districts.

• The role of the community in the development and implementation of the plans was discussed. It was noted that the interests and positions of local communities, and the individuals therein, also impacted on the effectiveness of the rate and form of implementation.

• It was noted that the consultancy firm Morrisson Low had been appointed to look at the current systems and organization for setting of speed limits and then identifying possible options for institutional arrangements for speed management and speed limit setting in the region. Work had started in those areas and a report would be presented in due course outlining cost and resourcing implications.

• The need for good driver education was emphasised. It was noted that a decrease could be achieved through the use of a strategic approach. There was a need for actual physical work on black spots and limited investigations, through the use of a streamlined approach.

RTC19/05

Moved by: Cr S Christie
Seconded by: Cr R Rimmington

RESOLVED

1. That the report ‘New Zealand Transport Agency – Safe Network Programme’ (Doc # 13738414 dated 12 February 2019) be received.

2. That the Regional Transport Committee endorse speed management outcomes from the Safe Network programme being incorporated and consulted on in the Regional Speed Management Plan for the Waikato region.

3. That the Regional Transport Committee endorse the Safe Network Working Group working collaboratively with territorial authorities on their speed management work to ensure integration with current work programmes.

The motion was put and carried


This report was presented by the Waikato Regional Council Team Leader, Transport and Infrastructure (N King). The report was taken as read. It asked the Committee to consider and approve requests from the New Zealand Transport Agency to vary the operative 2018 Update to the Waikato Regional Land Transport Plan 2015 – 2045.

The following matters were raised:
• The Te Kuiti Rail overbridge is now eligible for NZTA funding and possibly a targeted enhanced financial assistance rate.

• The development of the funding model of the Waitomo stock truck effluent station was ongoing between Waikato Regional Council, New Zealand Transport Agency, and Waitomo District Council.

• Sufficient and durable funding models were needed to ensure that health and safety matters could be addressed.

• The proposed variation would allow for the appropriate design, and other changes to the effluent dumping and storage network.

• Taupō District Council would work with the facility designers to make the Taupō based facility more visually appropriate given its location.

RTC19/06
Moved by: Cr G Webber
Seconded by: Cr R Rimmington

RESOLVED

1. That the report ‘Variations to the 2018 Update to the Waikato Regional Land Transport Plan 2015-2045’ (Doc # 13739331 dated 11 February 2019) be received.

2. That the Regional Transport Committee vary the operative ‘2018 Update to the Waikato Regional Land Transport Plan 2015-2045’ to include three stock truck effluent disposal facilities, one each in Taupō, Matamata-Piako and Waitomo Districts and secondly to include a project for the renewal and improvement of the Te Kuiti Pedestrian Rail Overbridge in Waitomo District.

The motion was put and carried

8. Road Safety Monitor Report

This report was presented by the Waikato Regional Council Senior Policy Advisor – Transport Relationships (R Cook), the Waikato Regional Council Special Projects Advisor (B McMaster) and the New Zealand Police representative (Inspector M Lynham). The report was taken as read. It updated the Committee on road safety issues and trends on regional progress towards the actions outlined in national and regional road safety strategies. The report also outlined current progress on the Regional Speed Management Plan. The Committee was asked to consider and approve a submission in support of the Waipa District Council 'Safer Roads, Safer Waipa' bylaw.

The following matters were raised:

• The ‘Restrain, Impairment, Distraction, Speed strategy’ established and used by the New Zealand Police was described and discussed.

• The technology the New Zealand Police used to allocate resource and analyse incidents and/or interventions, and the locations where they occur was outlined and considered. It
was noted the approach/technology was used across a number of police districts around New Zealand.

• The police were congratulated for the work that they do around the Waikato region and New Zealand.
• The perceptions of what factors and links cause crashes was discussed.

RTC19/07
Moved by: Cr B Machen
Seconded by: Cr T Adams

RESOLVED


2. That the Regional Transport Committee approve the draft submission to Waipa District Council’s Statement of Proposal ‘Safer Roads, Safer Waipa’ Speed Limit Bylaw (Doc # 13825011).

The motion was put and carried

9. Transport Choices

This report was presented by Waikato Regional Council Senior Policy Advisor - Transport Relationships (R Cook). The report was taken as read. The Committee was updated on the progress made to date in relation to a regional cycle network and on further regional and sub-regional cycling projects.

The following matters were raised:

• It was noted that a phased approach would be used and financial and other detailed matters would be considered, after an agreement in principle to proceed could be obtained.
• The Thames Coromandel District Council wanted more clarification on how the network would impact existing cycleway infrastructure arrangements within their jurisdiction.
• Taupō and Matamata-Piako District Councils agreed in principle.

RTC19/08
Moved by: Mayor J Barnes
Seconded by: Mayor M Baxter

RESOLVED

That the report ‘Transport Choices Report’ (Doc # 13738453 dated 08 February 2019) be received.

The motion was put and carried
10. **Transport Projects and Planning Report**

This report was presented by the Waikato Regional Council Team Leader, Transport and Infrastructure (N King). It was taken as read. It provided the Committee with an update on current regional transport plans and projects as at 14 February 2019.

The following matters were raised:

- The Hamilton to Auckland rail project was discussed. It was noted that there are some major challenges to achieving the necessary funding for resources and infrastructure. It was a matter to be discussed and resolved over time.
- Central Government have reserved space for the rail corridor in the Corridor Project, although no budget had been allocated by Central Government to invest in the required rail infrastructure.

**RTC19/09**

*Moved by: Cr S Christie*

*Seconded by: Mayor M Baxter*

**RESOLVED**


The motion was put and carried

11. **Regional Public Transport Update**

This report was presented by the Waikato Regional Council Team Leader, Transport and Infrastructure (N King). It was taken as read. It provided the Committee with an update on the review of the Waikato Regional Public Transport Plan, the passenger rail service, and the Ministry of Education School Bus status. The Group Manager National Infrastructure Services, Ministry of Education (D Meyers) presented the section relevant to the provision of school bus services in the Waikato region.

The following matters were raised:

- It was noted that the Regional Land Transport Plan was now operative as of 16 January 2019. The Mass Transit Plan, proposed ride share service, and new bus ticketing system would be implemented this year, reports would follow as the projects commenced.
- The eligibility criteria that applied to the provision of bus services for Ministry of Education approved schools was discussed. It was noted that the criteria included proximity to preferred or local schools, student needs and demographics, and their place of residence.
- The history of the funding and provision of school buses was outlined. It was noted that the criteria and system had been largely unchanged for the last 80 or more years. It was added that the checks and validation of existing bus services was part of the contract.
review and tender process which has occurred across New Zealand. It was emphasised that there were no plans for reform of Waikato region yet.

- The challenges of implementing the existing policy on the provision of bus services for approved schools was discussed.
- It was noted that schools that are classified by the Ministry of Education as 'Māori Focus Schools' were covered by separate funding arrangements. There would be no changes to the provision of bus services and funding structures for schools classified as 'Special Character'.
- The Committee thanked the Ministry of Education representative for taking the time to attend the meeting.

RTC19/10

Moved by: Cr H Vercoe
Seconded by: Cr R Rimmington

RESOLVED

That the report ‘Regional Public Transport Projects Update’ (Doc # 13778078 dated 13 February 2019) be received.

The motion was put and carried

12. **Stock Truck Effluent Disposal Programme**

This report was presented by Waikato Regional Council Team Leader, Education (A Satterfield). It was taken as read. It provided the Committee with information on the progress towards the implementation of additional stock truck effluent facilities in the Waikato region, and issues that have arisen.

The following matters were raised:

- The ownership of assets that had been paid for by Waikato Regional Council such as effluent stations was discussed. It was noted that it is New Zealand Transport Agency policy that facilities of this type are owned and managed by the responsible district councils where they are located. The issues that this policy presented were discussed, and it was emphasised that the matter is ongoing and could change in the future, although the status quo must remain in place until a new solution can be established if possible.
- It was noted that effluent disposal is part of a broader regional strategy and policy framework on that and related matters.
- The project timeline was discussed. It was noted that details such as financial planning, and resource allocation had started and would continue through to the tender process, due to commence in June 2019.
RTC19/11
Moved by: Cr B Machen
Seconded by: Mayor M Baxter

That the report ‘Waikato Stock Truck Effluent Disposal Programme’ (Doc # 13788486 dated 14 February 2019) be received.

The motion was put and carried

13. Regional Transport Issues Forum

This report was presented by the Waikato Regional Council Team Leader, Transport and Infrastructure (N King). It was taken as read. The Committee was invited to raise issues that it felt should be included on the register for monitoring.

The following topics were raised:

- Free public transport for students in Hamilton was discussed. It was noted that the matter was being looked into and a report would follow after more analysis and research had been completed.
- It was noted that the LED light spill matter raised on 6 August 2018 had progressed in a positive way.
- High speed limits around schools was a concern that must be addressed.
- Within Matamata Piako District Chookies Corner, Hobbiton road, and Firth Street are of great concern and need to be progressed urgently.
- A solution to an equitable and sustainable funding model for rural roads was needed to meet the aims of central government.
- There is a level of concern by the local government sector about the increased centralised decision making process at the New Zealand Transport Agency, which had slowed the decision making and the implementation programme process, adding many negative flow-on effects for local government contractors and other service providers.
- The Piarere intersection needed proactive and ongoing attention to progress the project.
- The impact that heavy vehicles have on the roads around the Waikato region, notably during the winter period, was discussed. It was noted that the matter is exasperated by road works and other infrastructure maintenance programmes.
- The Coastal Plan and the impacts on other territorial authorities was discussed. It was asked whether or not the Thames Coromandel District would be directly impacted.
- There was a need for greater collaboration between all agencies across the Waikato region in order that improved outcomes can be achieved.
- A petition from the Hon Nick Smith was presented. It was decided that it should be left to the conscience of individual members to decide on how they would like to proceed.
- The Restraint, Impairment, Distraction, and Speed model was praised.
RTC19/12

**Moved by:** Cr H Vercoe  
**Seconded by:** Cr R Rimmington

**That the report ‘Regional Transport Issues Forum’ (Doc # 13777277 dated 14 February 2019) be received.**

The motion was put and carried

The meeting closed at 12.05pm.
Waikato Regional Council

Waikato Civil Defence and Emergency Management Group

OPEN MINUTES

Date: Monday, 4 March, 2019, 1:00 pm
Location: Genesis Building
Bryce Street
Hamilton

Members Present: Cr H Vercoe (Chair - Waikato Regional Council)
Cr L Tooman (Deputy Chair - Hamilton City Council)
Cr A Goddard (Waitomo District Council)
Cr P Buckthought (Hauraki District Council)
Cr T Lee (South Waikato District Council)
Cr A Park (Taupo District Council) **arrived at 1.05pm**
Cr J Bannon (Waipa District Council)
Cr A Williams (Alternate - Otorohanga District Council)
Cr S Christie (Alternate - Thames - Coromandel District Council)

Ministry of Civil Defence and Emergency Management
J Titmus (Regional Emergency Management Advisor)

Department of Prime Minister and Cabinet
R Hyde (Principal Policy Advisor)

Staff Present: J Snowball (Group Manager/Controller - Civil Defence and Emergency Management)
L Cavers (CEG Chair)
M Bang (Team Leader - CDEM Group Services)
G Talbot (Group Recovery Manager - Civil Defence and Emergency Management)
J Bouwer (EM Administration Coordinator)
T Bio (Democracy Advisor)
SECTION A: (UNDER DELEGATION FOR THE INFORMATION OF COUNCIL)

1. **Apologies**

   Apologies were received from Cr Noel Smith of Waikato District Council, Cr Brian Hunter of Matamata Piako District Council and Cr Rex Simpson and noted Cr Sally Christie present for Thames Coromandel District Council.

   The Chair welcomed John Titmus (MCDEM), and Rachel Hyde from the Department of Prime Minister and Cabinet to the meeting.

   **CD19/01**

   **Moved By**  Cr S Christie
   **Seconded By**  Cr J Bannon

   **RESOLVED**

   THAT the apologies of Noel Smith of Waikato District Council, Cr Brian Hunter of Matamata Piako District Council and Cr Rex Simpson and noted Cr Sally Christie present for Thames Coromandel District Council.

   The motion was put and carried

2. **Confirmation of Agenda**

   **CD19/02**

   **Moved By**  Cr J Bannon
   **Seconded By**  Cr L Tooman

   **RESOLVED**

   THAT the agenda of the meeting of the Waikato Civil Defence Emergency Management Joint Committee meeting of 11 March 2019 as circulated be confirmed as the business for the meeting.

   The motion was put and carried

3. **Disclosures of Interest**

   There were no disclosures of interest noted
4. **Minutes of Previous Meeting**

Minutes taken as read.

CD19/03

Moved By  Cr J Bannon
Seconded By  Cr L Tooman

**RESOLVED**

THAT the minutes of the previous meeting of the Waikato Civil Defence Emergency Management Joint Committee dated 19 November 2018 were received and accepted as a true and accurate record.

The motion was put and carried.

The Chair took the item titled ‘Summary of the minutes taken at the Coordinating Executive Group minutes’ at this time and all other items remained as outlined in the agenda package.

5. **Summary of Coordinating Executive Group Minutes**

Coordinating Executive Group Chair (L Cavers) presented the report. The Committee noted the summary and had no further questions.

CD19/04

Moved By  Cr P Buckthought
Seconded By  Cr A Goddard

**RESOLVED**

THAT the report Summary of Coordinating Executive Group Minutes – 15th February 2019 (Doc # 13852619 dated 4 March 2019 & Attachment 1 (Doc # 13854204) be received.

The motion was put and carried.

6. **Amendments to the CDEM Act**

Principal advisor for the Department of the Prime Minister and Cabinet (R Hyde) provided a power point presentation (Doc#13956547) to the Joint Committee.

The summarised points of the presentation noted the following:
• Department of the Prime Minister and Cabinet launched the Emergency Management System Reform Programme in response to the TAG report.
• The aim would be to have the legislation changes for the Civil Defence Act in front of a Select Committee by mid-December 2019 however policy teams were still awaiting directions from the Government.
• Still in consultation stage at the moment whereby policy advisors were talking to the Civil Defence Emergency Management groups nationwide. The aim of this was to identify the policy gaps and mould the legislation accordingly.
• The programme would also focus on how to better provide for iwi and Maori participation in emergency management. The legislation would be mindful to take into consideration marae and iwi protocols as well.
• The feedback from Groups, thus far, showed a strong call to protect those working under the Civil Defence Emergency Management from liabilities.

During discussion the following was noted:

• Iwi participation and planning would be at the CEG level whereby iwi could nominate a representative to sit on the CEG.
• The issue of what the authority and delegation of a controller outside of a ‘declared emergency’ would require more clarification.
• The possibility of combining all departments of safeties into one was addressed. This combination included fire, ambulances and police. Staff noted this was a possibility that had not been looked at before and would require further discussions.
• It was explained that the legislation would clarify that CDEM groups have the authority in emergency situations and would work as a group and not individuals. It would be clarified in the legislation how this would work and what the consequences would be.

CD19/05
Moved By Cr A Park
Seconded By Cr A Goddard

RESOLVED

THAT the report 'Amendments to CDEM Act' Update (Doc # 13859544 dated 25 February 2019) be received.

The motion was put and carried

7. Appointment of Controllers

Group Manager/Controller (J Snowball) presented this report which provided an opportunity to consider the appointment of Local Controllers.

During discussion the following was noted:
• All appointments have been endorsed by the respective Councils.

CD19/06

Moved By Cr S Christie
Seconded By Cr L Tooman

RESOLVED

1. THAT the report Appointment of Controllers (Doc # 13828379 dated 19 February 2019) be received, and
2. THAT the Joint Committee endorse the recommendation of the Controller Appointment Sub-Group and appoint David Simes as Local Controller for Waipa District Council, Waitomo District Council and Otorohanga District Council under Sec 27 (1) of the CDEM Act, and
3. THAT the Joint Committee appoint Terrena Kelly as a Local Controller for Waitomo District Council and Otorohanga District Council, and
4. THAT the Joint Committee reaffirm existing Local and Group Controller appointments as listed and revoke any previously appointed controllers not listed.

The motion was put and carried

8. CDEM Induction of Elected Officials

Team Leader CDEM Group Services (M Bang) presented this report. It provided an opportunity to provide feedback on the preferred options for conducting inductions for elected officials post the October local body elections.

During discussions the following was noted:

• The Joint Committee noted that the crossover of responsibilities would be difficult in clarifying which council does what. The example of the Ngatea stop bank event was given.

CD19/07

Moved By Cr A Park
Seconded By Cr J Bannon

RESOLVED

THAT the report 'CDEM Induction of Elected Officials' (Doc# 13854106) dated 24 February 2019 be received.
9. **Group Monitoring and Evaluation**

Group Manager/Controller (J Snowball) presented this report. It provided a review of the Group performance.

During discussion the following was noted:

- The review would ensure that the Terms of Reference would be same across Councils.
- The costs involved for each Council at the present time was around roughly $5000 - $6000 per year. The idea was that with the addition of more Councils and using the same contractor economies of scale may exist.

CD19/08

Moved By Cr L Tooman
Seconded By Cr S Christie

**RESOLVED**

THAT the report 'Group Monitoring and Evaluation' (Doc#13855699) dated 24 February 2019 be received.

The motion was put and carried

10. **Group Work Plan - update**

Team Leader CDEM Group Services (M Bang) presented the report. It provided a status update regarding the implementation of the priority 1 actions in the Group Plan. The report was taken as read and members noted that actions in orange were not a risk to the Joint Committee.

CD19/09

Moved By Cr J Bannon
Seconded By Cr A Park

**RESOLVED**

THAT the report 'Group Work Plan - update' (Doc#13856313 dated 25 February 2019) be received.

The motion was put and carried
11. **Ministry of Civil Defence & Emergency Management Update**

Regional Emergency Management Advisor of the Ministry of Civil Defence and Emergency Management (J Titmus) presented the report to provide an update regarding the work programme undertaken by the Ministry of Civil Defence and Emergency Management.

During discussion the following was noted:

- Concepts of Operations Version 1 was discussed. Version 2 was to come out later that day. Staff believed at least six versions may be produced before a final iteration is produced.
- Fly in teams were discussed. The Joint Committee noted that the request of group controller or direction to deploy by Director were the only two ways of deploying into region. Current legislation did not accommodate for the Controller of this team to have powers to direct a nationwide deployment but this was something that policy makers were looking to establish in the future.

CD19/10

Moved By Cr A Park

Seconded By Cr T Lee

**RESOLVED**

THAT the report Ministry of Civil Defence Emergency Management Update (Doc # 13855592 dated 24 February 2019) be received.

The motion was put and carried

12. **Submission on National Disaster Resilience Strategy**

Group Manager/Controller (J Snowball) presented this report and provided the Joint Committee with the submission provided to the Ministry of Civil Defence Emergency Management on the proposed national disaster resilience strategy. The report was taken as read and members noted that the strategy will be confirmed by April 10 2019.

CD19/11

Moved By Cr S Christie

Seconded By Cr P Buckthought

**RESOLVED**

THAT the report Submission on National Disaster Resilience Strategy (Doc # 13838511 dated 19 February 2019) be received for information.
13. **Shared Service Arrangements update**

Group Manager/Controller (J Snowball) presented the report and provided an update regarding the Shared Service arrangements in the Waikato CDEM Group Area.

During discussion the following was noted:

- Waikato District Council have resolved to terminate the Service Level Agreement with WRC and move CDEM back in-house. This decision has gone to the WRC for their consideration.
- The Thames Valley Emergency Operating Area recommendation to dissolve their shared service agreement has gone to the respective councils.
- Members discussed and considered any potential impacts on the Group. The Chair recognised the right of individual councils to decide their own local operating models. The Chair and Deputy Chair positively endorsed the central shared service model currently operated by HCC, which is also being considered by HDC and MPDC”.

**CD19/12**

**Moved By** Cr L Tooman  
**Seconded By** Cr A Goddard

**RESOLVED**

THAT the report Shared Service Arrangements Update (Doc # 13859787 dated 25 February 2019) be received.

The motion was put and carried

14. **Group Emergency Management Office - update**

Team Leader CDEM Group Services (M Bang) presented the report and provided an update regarding the status and operation of the Group Emergency Management Office. The report was taken as read.

**CD19/13**

**Moved By** Cr J Bannon  
**Seconded By** Cr S Christie

**RESOLVED**
THAT the report Group Emergency Management Office Update (Doc # 13855209 dated 24 February 2019) be received.

The motion was put and carried

Meeting closed at 2.39pm.
Waikato Regional Council
Audit and Risk Committee
OPEN MINUTES

Date: Thursday, 7 March, 2019, 9 am
Location: Council Chamber
Waikato Regional Council
401 Grey Street
Hamilton East

Members Present: H Stevens - Chairman
G Naylor - Independent member
Cr J Hennebry
Cr H Vercoe
Cr B Simcock
Cr Mahuta - Ex officio

Staff Present V Payne (Chief Executive Officer)
J Becker (Chief Financial Officer)
C Crickett (Director Integrated Catchment Management)
K Bennett (Manager CE's Office)
J Cox (Team Leader - Democracy Services)
Cr S Kneebone
Cr F Lichtwark
Sarah Jones
Jaydene Kana
SECTION A: UNDER DELEGATION AND FOR THE INFORMATION OF COUNCIL

1. **Terms of Reference**

2. **Apologies**

Apologies had been received from Cr A Livingston.

**AR19/01**

**Moved by:** H Stevens  
**Seconded by:** Cr Vercoe

**RESOLVED**

**THAT** the apologies of Cr A Livingston be accepted.

The motion was put and carried

3. **Confirmation of Agenda**

The agenda was confirmed with no additions or discussion.

**AR19/02**

**Moved by:** Cr Hennebry  
**Seconded by:** Cr Simcock

**RESOLVED**

**THAT** the agenda of the Audit and Risk Committee of 7 March 2019 as circulated be confirmed as the business for the meeting.

The motion was put and carried

4. **Disclosures of Interest**

There were no disclosures of interest noted.

5. **Matters arising from open session of the previous meeting minutes**

Report to receive the minutes of the open session of the previous meeting and review the actions and matters arising therefrom.

The report was presented by the Chief Financial Officer (J Becker).

During questions answers and related discussion the following was noted:

- the November meeting minutes had been included twice within the agenda pack. This was an error in publication.
- with respect to point five "The customer services team will investigate which councils are using NPS and establish benchmarking methodology for future reporting" members
were advised that staff were still trying to determine whether other councils were using NPS. The idea was to develop a community of practice.

Cr Mahuta left the meeting at 9:07 am.

AR19/03
Moved by: Cr Vercoe
Seconded by: Cr Simcock

RESOLVED

THAT the report ‘Matters arising from previous meeting minutes’ (Audit and Risk Committee 7 March 2019, dated 8 February 2019) be received.

RESOLVED

THAT the minutes of the open session of the previous meeting of the Audit and Risk Committee held on 9 November 2019 be received and confirmed as a true and correct record.

The motion was put and carried

SECTION B: FOR RECOMMENDATION TO COUNCIL

6. External Audit

Report to provide the Committee with an update on outstanding matters from previous audits and to present the Draft Audit Plan for the 2018/19 audit process.

The report was presented by the Chief Financial Officer (J Becker). The Audit NZ Manager (N Kotze) was present to respond to questions. The Chair advised that an update from Mr Walker of Audit NZ, was that there were no concerns or matters to be raised with council or with the committee.

During questions, answers and related discussion the following was noted:

• within the report there were two matters that appeared to be resolved and members questioned whether those matters should be removed. In response it was noted that the report would be reflective of the schedule and management update from Audit NZ and as there hadn't been an interim audit they hadn't been cleared. Where possible items would be noted as closed following the interim process.

• the risk relating to documenting the extension of consent applications related specifically to the discount regulations. Resource Use have reasonable and practical measures in place, but human error may mean steps may be missed. Council can have confidence in a high level of compliance with processes, with the occasional exception. The focus of the risk would be kept on having processes in place and ensure they are working effectively.

• a focus of the audit review will be on project management due to the number of large projects that were going on for council. Audit NZ will focus more on these to ensure appropriate processes and procedures were in place. This review was not expected to affect the audit opinion but to add value for council as a result of this review. Members
were advised that council had a dedicated Project Management Office as well as dedicated Project Managers employed on a fixed term contracts to provide oversight for significant projects such as the new office accommodation and corporate systems replacement project.

- members noted they do not want to see unnecessary work done by Audit NZ, when council already had oversight and a number of processes in place, including reporting through to the Finance committee and regular internal audits with KPMG.
- the chair expenses and the CE expenses were reported through to the Finance Committee. This ensured full transparency for council in that regard.
- in response to a question around recent enquiries regarding the DHB and Wintec members were advised that there has been an update to the methodology and the Office of the Auditor General had provided a narrower requirements scope. A specific brief that Audit would be looking for more detail at that level.
- it was important for the committee to be provided with the overall materiality limits (including dollar values) in order for the committee to assess significance and gain assurance over the financial statements.
- the pre-election report is not audited by Audit NZ, however the audit timetable was similar to the previous year and fit with council’s internal programme.

AR19/04
Moved by: Cr Hennebry
Seconded by: G Naylor

RESOLVED
THAT the report 'External audit update' (Audit and Risk Committee 7 March 2019, dated 25 February 2019) be received.

RECOMMENDED
THAT the Draft Audit Plan for the 2018/19 audit process be approved.

The motion was put and carried

SECTION A: UNDER DELEGATION AND FOR THE INFORMATION OF COUNCIL

7. Risk Management Update
Report to update the Committee on Council’s risk management activities and key project risks.

The report was presented by the Manager CE Office (K Bennett).

- members reviewed the risk register and noted the proposed recommendations that would be discussed at a workshop following the meeting.
- a member felt it was pertinent to focus on the areas where the residual risk was not in line with the acceptable risk. These would be the hotspots for council to focus on.
• there was further learning required for council on climate change and whether that would be treated as a new risk in itself, or whether it would be incorporated through the council’s other risks. It was important that council understood the problem, determine what the risks are and work out the response.

• a member asked whether the process that council already went through with the 10 year scheme review was enough with respect to council’s assets. The question was not just whether the assets were appropriate, but whether the levels of service for council were in line with what the ratepayers were prepared to pay for.

• a member noted concern that there was a percentage of staff who were unhappy or nervous about the move to the new building. It was acknowledged that there was risk in any change and there were a number of working groups looking at the issues arising from the move to the new building and coming up with a range of mitigations.

• a member noted the reference to the replacement economic modelling expert and asked whether they were an economic expert or an expert on the environment. The concern was that the replacement expert was not like for like. In response members were advised that the expert has been replaced with skills that were matched to the previous role holder. The expert comes with broad agri-business experience and is currently professor at the University of Waikato.

• Plan Change 1 was going through the Resource Management Act hearing process with an independent hearings panel. There was a lot of expert opinion sitting behind every submitter and there have been opportunities for various experts to get in the same room to look at and debate the economic model. The intention behind these meeting is to ensure key issues are addressed prior to hearings. There were a lot of checks and balances and contestability of the advice being provided. The major risk for council with this project is the time and cost of the whole process and whether it does improve the water quality.

• a member asked about the process relating to identifying contaminated sites. In response it was noted that council was to investigate land with a purpose of identifying contaminated land. MfE provide a framework for council and to assist the investigation released a list of land uses. This list is then used as a base for staff to base registers on and to go through and do further determination on the use of that land and potential contamination. Investigation includes looking at the industries and the types of compounds being used. Firefighting foam was one of the compounds but related to a small portion of use. The issue with the foam was the liberal application and the way it was used that made it a higher risk.

Cr S Kneebone joined the meeting at 10:06 am.
AR19/05
Moved by: G Naylor
Seconded by: Cr Simcock

RESOLVED

THAT the report 'Risk Management Activity and Key Projects Update' (Audit and Risk Committee 7 March 2019, dated 26 February 2019) be received.

The motion was put and carried

8. **Policy Update**

Report to provide an update on Council policies that are due for review/renewal this quarter.

The report was presented by the Manager CE Office (K Bennett).

During questions, answers and related discussion the following was noted:

- the committee should have a high level oversight of council policies. This would include the finalised sensitive expenditure policy which would incorporate travel and accommodation, gifts and personal benefits, and entertainment expenditure moving forward. The review was intended to help provide consistency between policies and to give clear guidance for staff on what expenditure is appropriate.

- a member noted that the review dealt with the policy and asked how did the committee get the assurance that the policies are being complied with. The KPMG internal audit programme formed part of that assurance for the committee as well as council’s internal controls.

- members noted the importance for staff tracking the expenses and processing the payments and the invoices to escalate issues and concerns as they arose. The transparency of reporting the expenses for councillors and the Chief Executive through to the Finance Committee supported this process. Members re-iterated the importance of fraud awareness for staff and encouragement for staff to raise any concerns as quickly as possible. Members were advised that the three core values of council would support this approach and ensure that no one was above the values and managers should expect to be held accountable for following and modelling them.

- the member requested further thinking be put in to the process to provide the assurance sought that these processes were being followed and that concerns were being appropriately escalated for review.

AR19/06
Moved by: Cr Hennebry
Seconded by: Cr Vercoe

RESOLVED

THAT the report ‘Policy Review Schedule Update’ (Audit and Risk Committee 7 March 2019, dated 22 February 2019) be received.
The motion was put and carried

9. **Health and Safety Update**

Report to update the Committee on management of annual leave balances, staff wellbeing and key health and safety indicators.

The report was presented by Manager People and Capabilities (N Ollington).

During questions, answers and related discussion the following was noted:

- a member proposed that the Employee Assistance Programme trends could be a useful indicator of underlying health. In response it was noted that while usage may be tracked there was not sufficient distinction to determine whether the use was related to work or non-work related issues.
- members noted their appreciation for the increasing focus on people's mental health and noted that it was encouraging to see that issues were being identified early.

AR19/07
Moved by: H Stevens
Seconded by: Cr Hennebry

RESOLVED

THAT the report 'Annual Leave, Wellbeing and Health & Safety Indicators' (Audit and Risk Committee 7 March 2019, dated 27 February 2019) be received.

The motion was put and carried

10. **Internal Audit Update**

Report to provide the Committee a status update on the internal audit programme.

The meeting adjourned at 10.49am and reconvened at 11.05am.

Prior to the report being discussed a member noted a concern for the committee to be aware of relating to Treaty Settlements and the ongoing costs to ratepayers. The concern was that central government enter in to agreements as part of settlement obligations and the work is then passed on to council. Once the settlement funds run out there were ongoing costs and the matter should be elevated as a risk for council to be across. With respect to the ongoing work it was not always work that council would normally do. In response to the discussion it was noted that the committee would be concerned about the risks and whether they had been appropriately identified, in particular the legal compliance risk. The Committee noted their expectation to see a full analysis of the risks once they had been considered. A member asked that any report back also include the significant risk for local government generally in relation to the need to consult with every hapu that wanted to be consulted with.

Members noted that in other areas of council business there were other aspects of legislation that required consultation and discussion with Iwi, for example when reviewing and preparing plans. With respect to the Waikato Civil Defence Emergency Management Joint Committee
this could mean the inclusion of Iwi at the governance level and there was concern and uncertainty within the committee as to how to include Iwi and who to include. The decision may be simple for regions who engage with a singular group but is not simple for the Waikato.

The report was presented by the Manager, CE’s Office (K Bennett). David Sutton and Cushla Parish from KPMG were present to respond to questions.

During questions, answers and related discussion the following was noted:

- the stakeholder review had been brought to the previous meeting and as part of that KPMG had reviewed the survey methodology and results. For completeness that review has been provided back to the committee.
- the report highlighted that the majority of all key stakeholders responding to the 2018 survey were satisfied in relation to the bigger picture of council's service performance, working relationships and current ways of communicating and engaging. Any gaps identified came from a small number of responses, however regardless of the number all gaps were worthy of consideration.
- the private sector responses were covered within the Non-Government Organisation section and included industry representatives such as forestry, dairy and beef and lamb. A member noted it would be appropriate to consider the CEs of the ten largest companies in the Waikato to the stakeholder list.

**AR19/08**

Moved by: H Stevens  
Seconded by: G Naylor  
RESOLVED

THAT the report 'Internal Audit Programme Update' (Audit and Risk Committee 7 March 2019, dated 25 February 2019) be received.

The motion was put and carried

11. **Asset Management Update**

Report to provide the Committee with an update of the work areas currently underway to manage the risk associated with the flood protection assets managed by Council.

The committee received a presentation from Manager, Technical Services (G Ryan).

During questions, answers and related discussion the following was noted:

- the impression for the committee was that council hadn't moved very far from the 2014 results, and in some places had moved backwards. In response it was noted that there had been a fundamental shift in capability and systems that had changed the outcome rather than hoping that the same approach would work.
- the reference to "on track" meant on track since 2017.
- the Regional Asset Management Plan was adopted by Council in February 2019.
• the feasibility studies were being reported on a case by case basis, as shown with the reporting relating to the Tauhei and Muggeridges projects. The matters relating to Kaiaua related to conversations with the community and not a set project.
• members noted that discipline was required in the project management space and concern that new works were dealt with in an appropriate way. The approach for Kaiaua was to determine what they needed, and it was important that any spending in to the review was capped and that no work was done without agreement as to who was to pay. Clear communication was required with the community.
• there was a structured approach at staff level with oversight across all projects. Members noted there was a gap where this oversight was not reported through to Council or a Committee. The opportunity to provide further information in this regard to the Finance Committee was noted.
• concern was raised with the definition of level of service and whether council had the right balance between capability and level of service. The schemes generally provided protection for 1 in 50 year or 1 in 100 year events. This was something that the sustainability review would look at and ensure that the right conversations were being had with the community. In some areas the renewal of assets was to upgrade to something more substantial than what was in place. The conversation would include "do we upgrade or hold the line" and ensuring that the community understood the cost impacts of upgrading.
• a report relating to the tsunami impact on the east coast was being managed by the Regional Hazards Team, jointly with the Thames Coromandel District Council.
• a member promoted the use of meaningful communications for the public and wanting to ensure that the different levels of engagement and interaction were available.

Cr F Lichtwark joined the meeting at 11:34 am.

AR19/09
Moved by: H Stevens
Seconded by: Cr Simcock

RESOLVED

THAT the report 'Waikato Regional Council flood protection asset risk management' (Audit and Risk Committee 7 March 2019, dated 25 February 2019) be received.

The motion was put and carried

12. Insurance Update

Report to provide the Committee with an update on activities within the Council’s insurance programme, including a summary of the outcome form the 2018 insurance renewal as well as the findings from a review of the Council’s disaster recovery provisions.
The report was presented by the Chief Financial Officer (J Becker).

During questions, answers and related discussion the following was noted:

- flood risk, together with a claim notification made in relation to the Ngatea stopbank slumping were the key drivers for council’s share of the policy increase.
- a member noted concern that a 30% increase was at the high end of the range and that this may not be a one-off increase. In response it was noted that there was provision within budgets to accommodate an increase and the work being done to understand the assets and impacts of flood risk would seek to mitigate that risk.

**AR19/10**

 Moved by: G Naylor

Seconded by: Cr Simcock

**RESOLVED**

THAT the report 'Insurance update March 2019' (Audit and Risk Committee 7 March 2019, dated 11 February 2019) be received.

The motion was put and carried

**13. Resolutions to Exclude the Public**

**AR19/11**

 Moved by: Cr Simcock

Seconded by: Cr Hennebry

**RESOLVED**

THAT the public be excluded from the following parts of the meeting, namely -

1. **Key Projects update**
2. **Potential Liabilities update**
3. **Public Excluded Minutes from the previous meeting of the Audit and Risk Committee on 9 November 2018.**

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

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

**Key Projects update**

1. To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – section 7(2)(h).
2. To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (S7 (b) (ii).

**Potential Liabilities update**

1. To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information, Section 7(2)(b)(ii);
2. To maintain legal professional privilege, Section 7(2)(g); and
3. To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i).

**Public Excluded Minutes from the previous meeting of the Audit and Risk Committee on 9 November 2018.**

1. Protect information where the making available of the information
   (i) would disclose a trade secret; or
   (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (section 7(2)(b)).
2. Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information -
   (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or
   (ii) would be likely otherwise to damage the public interest (section 7(2)(c)).
3. Avoid prejudice to measures protecting the health or safety of members of the public (section 7(2)(d)).
4. Avoid prejudice to measures that prevent or mitigate material loss to members of the public (section 7(2)(e)).
5. Maintain legal professional privilege (section 7(2)(g)).
6. Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (section 7(2)(h)).
7. Prevent the disclosure or use of official information for improper gain or improper advantage (Schedule 7(2)(j))
8. Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (section 7(2)(i))

The motion was put and carried
Meeting returned to open session at 12.33pm.

Meeting closed at 12.33pm.