

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Council will be held on:

Date: Thursday 4 April 2024
Time: 9:30 am
Meeting Room: Council Chamber and Audio-Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Council Kaunihera OPEN AGENDA

Membership

Chairperson Mayor Paula Southgate
Heamana

Deputy Chairperson Deputy Mayor Angela O'Leary
Heamana Tuarua

Members	Cr Maxine van Oosten	Cr Geoff Taylor
	Cr Moko Tauariki	Cr Sarah Thomson
	Cr Ewan Wilson	Cr Emma Pike
	Cr Mark Donovan	Cr Melaina Huaki
	Cr Louise Hutt	Cr Anna Casey-Cox
	Cr Andrew Bydder	Cr Kesh Naidoo-Rauf
	Cr Tim Macindoe	

Quorum: A majority of members (including vacancies)

Meeting Frequency: Monthly – or as required

Amy Viggers
Mana Whakahaere
Governance Lead

26 March 2024

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Purpose

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Hamilton.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council¹:
 - a) The power to make a rate.
 - b) The power to make a bylaw.
 - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
 - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
 - e) The power to appoint a Chief Executive.
 - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the Council's Governance Statement.
 - g) The power to adopt a remuneration and employment policy.
 - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
 - i) The power to approve or amend the Council's Standing Orders.
 - j) The power to approve or amend the Code of Conduct for Elected Members.
 - k) The power to appoint and discharge members of committees.
 - l) The power to establish a joint committee with another local authority or other public body.
 - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council does not accept the recommendation.
 - n) The power to amend or replace the delegations in Council's *Delegations to Positions Policy*.
2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
 - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
 - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
 - c) Approval of any changes to city boundaries under the Resource Management Act 1991.
 - d) Adoption of governance level strategies plans and policies which advance Council's vision and strategic goals.

¹ [Clause 32, Schedule 7, Local Government Act 2002](#)

- e) Approval of the Triennial Agreement.
- f) Approval of the local governance statement required under the Local Government Act 2002.
- g) Approval of a proposal to the Remuneration Authority for the remuneration of Elected Members.
- h) Approval of any changes to the nature and delegations of the Committees.
- i) Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO, CCTO or CO.
- j) Approval of city boundary changes, including in respect of Strategic Boundary Land Use Agreements.
- k) Approval of Activity Management Plans.
- l) Sister City relationships.

Oversight of Strategies, Plans and Reports:

- Long Term Plan
- Annual Plan
- Annual Report
- Shaping Hamilton Kirikiriroa Together
- Our Climate Future
- He Pou Manawa Ora

Oversight of Policies and Bylaws:

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to officers specific to the Resource Management Act 1991*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*
- *Climate Change Policy*
- *Any Community Engagement Policies*

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Council to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipanga*

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum – *Aatea koorero*

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Mayor.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6727.

Council Report

Committee: Council

Date: 04 April 2024

Author: Arnold Andrews

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Council Open Minutes - 14 March 2024

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Open Minutes of the Council Meeting held on 14 March 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Council Open Unconfirmed Minutes - 14 March 2024 .

Council Kaunihera OPEN MINUTES

Minutes of a meeting of the Council held in the Council Chamber and via Audio-Visual Link , Municipal Building, Garden Place, Hamilton on Thursday 14 March 2024 at 9:31am.

PRESENT

Chairperson	Mayor Paula Southgate
<i>Heamana</i>	
Deputy Chairperson	Deputy Mayor Angela O’Leary
<i>Heamana Tuarua</i>	
Members:	Cr Maxine van Oosten Cr Moko Tauariki (via Audio-Visual Link) Cr Ewan Wilson Cr Mark Donovan Cr Louise Hutt Cr Andrew Bydder Cr Geoff Taylor Cr Sarah Thomson Cr Emma Pike Cr Anna Casey-Cox Cr Kesh Naidoo-Rauf (via Audio-Visual Link) Cr Tim Macindoe

In Attendance:	Lance Vervoort – Chief Executive Sean Murray – General Manager Venues, Tourism & Events Andrew Parsons- General Manager Infrastructure & Assets Janet Carson – General Manager Partnerships, Communication & Maaori Blair Bowcott- General Manager Strategy, Growth & Planning Helen Paki – General Manager Customer & Community Sean Hickey – General Manager People, Performance & Culture David Bryant – General Manager Business Services Chris Allen – Executive Director Development Tracey Musty – Financial Director James Clarke – Unit Manager Strategy & Planning Greg Carstens - Growth Funding & Analytics Unit Manager Michelle Hawthorne – Governance and Assurance Manager Maire Porter - Unit Director Three Waters Robyn Denton – Network and Systems Operations Manager Lachlan Muldowney - Barrister
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Governance Staff:	Amy Viggers – Governance Lead Arnold Andrews & Keryn Phillips – Governance Advisors
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The meeting was opened with a Karakia from Council Kaumatua Tame Pokaia.

Council 14 MARCH 2024 - OPEN

1. **Apologies – *Tono aroha***
Resolved: (Cr van Oosten/Cr Casey-Cox)
 That the apologies for absence from Cr Tauariki and Cr Huaki and early departure from Cr Naidoo-Rauf are accepted.
2. **Confirmation of Agenda – *Whakatau raarangi take***
Resolved: (Mayor Southgate/Cr Wilson)
 That the agenda is confirmed.
3. **Declarations of Interest – *Tauaakii whaipaaanga***
 No members of the Council declared a Conflict of Interest.
4. **Public Forum – *AAtea koorero***
 Not applicable.
5. **Confirmation of the Council Open Minutes - 20 February 2024**
Resolved: (Cr Wilson/Cr van Oosten)
 That the Council confirm the Open Minutes of the Council Meeting held on 20 February 2024 as a true and correct record.
6. **Confirmation of the Elected Member Open Briefing Notes 14 February 2024**
Resolved: (Cr Wilson/ Cr van Oosten)
 That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 14 February 2024 as a true and correct record.
7. **Chair's Report**
Resolved: (Mayor Southgate/Deputy Mayor O'Leary)
 That the Council:
 - a) receives the report;
 - b) notes the changed dates for the Long-Term Plan Hearings and subsequent meetings;
 - c) approves the following changes to the Governance Structure and Terms of Reference 2022/25:
 - i. Councillor Tim Macindoe to be appointed as Deputy Chair of the Infrastructure and Transport Committee;
 - ii. Councillor Tim Macindoe to be appointed as a member of Waikato Regional Council/ Hamilton City Council Governance Group, Chief Executive Review Committee, Regulatory and Hearings Committee, Traffic, Speed Limits and Road Closures Hearings Panel, Neighbourhood Support Hamilton, Access Hamilton Working Group;
 - iii. Councillor Geoff Taylor to be appointed as the Deputy Chair of the Strategic Growth and District Plan Committee;
 - iv. Councillor Moko Tauariki to be appointed to the Waikato District Council/Hamilton City Council Governance Group and Waipā District Council/ Hamilton City Council Governance Group;
 - v. Deputy Mayor O'Leary be appointed to the role of Creative Ambassador;
 - vi. Cr Donovan appointment to the role Sport Ambassador; and
 - d) requests staff to seek approval from the Remuneration Authority to reflect the changes to Elected Member remuneration based on the changes to the Governance Structure and Terms of Reference 2022/25 as outlined below:

Positions	Proposed Remuneration
Deputy Mayor	\$ 112,053.00

COUNCIL 14 MARCH 2024 - OPEN

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Chair	\$ 101,024.00
Hearings Chair	\$ 96,009.00
Deputy Chair	\$ 88,005.00
Councillors	\$ 80,547.00

- e) requests Cr Pike and Cr Casey-Cox work with staff to review part 6.1 of the Hamilton City Council Code of Conduct 2022 - Complaints Process, and any associated Part, for the purposes of reporting back to a Briefing with recommendations for improvements, if any;
- f) notes that the purpose of the review outlined in e) above, is to assess the efficiency and issues with the current Code of Conduct process; and
- g) notes that this work will inform the project being undertaken by LGNZ on the same matter through Deputy Mayor O'Leary.

8. **Draft Financial Policies**

Financial Director explained the funding needs analysis and the fees and charges, development contributions, rates and benefits of funding sources, rates remission and postponement policy, the change of savings threshold, targeted rates, Investment and Liability Policy. She responded to questions from Elected Members in relation to inclusion of development contributions in operational expenditure, grants and subsidies, air bnbs, uninhabited and unused land and commercial property.

Resolved: (Cr van Oosten/Cr Wilson)

That the Council:

- a) receives the reports:
- b) approves the proposed Revenue and Financing Policy and Funding Needs Analysis as supporting information for the draft 2024-34 Long-Term Plan consultation document; and
- c) approves the proposed Rates Remissions and Postponements Policy, Rates Remissions and Postponements Policy Statement of Proposal, Rating Policy and Rating Information (to be included within the Council Funding Impact Statement) as supporting information for the draft 2024-34 Long-Term Plan consultation document; and
- d) approves the proposed Investment and Liability Management Policy for the draft 2024-34 Long-Term Plan document; and
- e) approves staff to commence formal consultation on the proposed Revenue and Financing Policy and Rates Remissions and Postponements Policy from March to April 2024.

9. **Fees and Charges (including GST) Proposed for Year 1 (2024/25) of the 2024-34 Long-Term Plan**

Financial Director explained the report and stated the challenges in increasing the fees and its effects on the revenue, impact on revenue on year one, warehouse charges, environmental costs, illegal dumping and video provision fees.

Staff Action: Review the Litter Act 1979 and Cr Macidoe to interact with Chair of Infrastructure for more information on the environmental costs of illegal dumping.

Resolved: (Mayor Southgate/Cr van Oosten)

That the Council:

- a) receives the report; and
- b) approves the proposed Fees and Charges for the Year 1 of the 2024-34 10-Year Plan as outlined in **Attachment 1** of the staff report noting minor amendments may be made to clarify or correct minor matters such as spelling or date errors.

Cr Bydder Dissenting.

The meeting was adjourned from 10:56 to 11:20am.

10. Draft Development Contributions Policy 2024/2025 and Consultation Document

Growth Funding & Analytics Unit Manager took the report as read. He responded to questions from Elected Members in relation to engagements, development contribuitons, growth strategy, land costs and undeveloped land.

Resolved: (Mayor Southgate/Cr Wilson)

That the Council:

- a) receives the report;
- b) approves the draft Development Contributions Policy 2024/25 (**Attachments 1 and 2**) and the draft Development Contributions Policy and Growth Funding Policy Consultation Document (**Attachment 4 and Attachment 5**) for community consultation;
- c) approves the following changes from the resolutions made by the Council at the 28 November 2023 Council meeting, which are incorporated in the draft Development Contributions Policy 2024/25:
 - i. do not phase or cap residential development contribution charges;
 - ii. do not index development contribution charges;
 - iii. do not introduce actual demand charging criteria for developments that use higher than the assumed demand;
 - iv. introduce a 100% Te Ture Whenua Maaori Act 1993 related remission for Maaori customary and freehold land, and papaakainga on any land.
- d) notes that:
 - i. the draft Development Contributions Policy 2024/25 includes a Schedule of Assets (attached separately as **Attachment 3**)
 - ii. all proposed amendments incorporated in the draft Development Contributions Policy 2024/25, other than those seeking reversal in recommendations **c) i. – iii.** above, are in accordance with resolutions made by the Council at the 28 November 2023 Council meeting;
 - iii. the caps on commercial and retail developments in neighbourhood centres which were approved at the 28 November 2023 Council Meeting have been increased from \$30,000 and \$40,000 respectively to \$50,000 and \$60,000 respectively (excl. GST) per 100m² of gross floor area, to reflect the general increases in development contribution charges in the draft Development Contributions Policy 2024/25;
 - iv. an affordable housing remission has not been included in the draft Development Contributions Policy 2024/25 due to direction received at the 13 February 2024 Long Term Plan Development Contributions Workshop;
 - v. the consultation document for the draft Development Contributions Policy and the draft Growth Funding Policy referred to in 2.(b) above, are combined into one consultation document due to their complementary nature. A draft Growth Funding Policy seeking approval is the subject of a separate report in this agenda;
 - vi. small variances exist between the Long Term Plan capital programme and financial inputs, and the development contributions charges and asset schedules in the Development Contributions Model. These are non-material and will be aligned in the final Development Contributions Policy 2024/25.
 - vii. community consultation on the draft Development Contributions Policy 2024/25 will take place alongside the Long-Term Plan from 19 March 2024 to 21 April 2024; and

- viii. an approved Development Contributions Policy 2024/25 will be operative from 1 July 2024, and none of the amendments recommended in this report will be operative immediately in the current Development Contributions Policy.

Cr Tauauriki joined the meeting at 11:24am during the discussion of the above item.

11. Draft Growth Funding Policy and Consultation 2024

Growth Funding & Analytics Unit Manager took the report as read. He responded to questions from Elected Members in relation to affordable housing,

Staff recommendation: (Cr Thomson/Cr Wilson)

That the Council:

- a) receives the report;
- b) approves the following amendments to the Draft Growth Funding Policy:
 - i. include reference to the principles for out-of-boundary development in accordance with the Hamilton Urban Growth Strategy;
 - ii. clarify considerations relating to the value accruing to landholdings created by Council decisions;
 - iii. simplify the benefits recognition provisions; and
 - iv. remove or amend several surplus provisions.
- c) approves the Draft Growth Funding Policy (**Attachment 1** of this staff report); for consultation as part of the draft Development Contributions Consultation Document in a separate report on this agenda, and will be consulted on from 19 March to 21 April 2024, alongside the Draft 2024-34 Long-Term Plan.

12. 2024-34 Long-Term Plan Underlying Information, Consultation Document and Engagement Plan

Unit Manager Strategy & Planning explained the report and touched on the consultation document, draft infrastructure strategy, draft financial strategy, draft performance stream work and significant forecasting options. He answered questions from Elected Members in relation to data on car parks in the central city area, change in consultant and personnel spend, population growth, increase in debt to revenue ratio to increase borrowing and capital projects

Resolved: (Cr Taylor/Cr Macindoe)

That the Council approves the 2024-34 Long-Term Plan Consultation Document (**Attachment 1**), subject to minor changes and fact checking, with the following amendment on Page 20 removal of the phrase "We know from our data that it's hard to find a park".

Those for the Motion: Councillors Bydder, Pike, Taylor, Naidoo-Rauf, Donovan, Wilson and Macindoe

Those against the Motion: Mayor Southgate, Deputy Mayor O'leary
Councillors Hutt, Casey-Cox, van Oosten and Thomson

Resolved: (Cr Pike/Cr Wilson)

That the Council:

- a) receives the report;
- b) approves the following underlying information relied on as the basis for the drafting the 2024-34 Long-Term Plan Consultation Document:
 - i. Draft 2024-34 Infrastructure Strategy;

- ii. Draft 2024-34 Financial Strategy;
 - iii. Draft 2024-34 Long-Term Plan prospective financial statements;
 - iv. Draft 2024-34 Long-Term Plan disclosure statement;
 - v. Draft 2024-34 Long-Term Plan funded capital projects list;
 - vi. Draft 2024-34 Long-Term Plan unfunded capital projects list;
 - vii. Draft 2024-34 Council Controlled Organisations statement;
 - viii. Draft 2024-34 Long-Term Plan performance measures; and
 - ix. Draft 2024-34 Long-Term Plan significant forecasting assumptions;
- c) approves the 2024-34 Long-Term Plan Consultation Document (**Attachement 1**), subject to minor changes and fact checking, with the following amendments to the following:
- i. **Page 9** under the heading Further Reducing our Costs. Change the last sentence to “*This would likely mean reductions to some back office functions and some community facing services*”;
 - ii. **Page 15** the addition of:
“In 2018, the promotion of social, economic, environmental and cultural well-being of communities was added to the statutory purpose of local government, significantly impacting the role and scope of territorial authorities. This comes with increased expectations from central government for what councils should provide to their residents, alongside increasing expectations from communities for what local government should be delivering. This has seen growth in the number of strategies, policies, and plans Council has made decisions to be responsible for, and with that an increase in the performance measures Council aims to achieve.
The increased scope of local government, and the variables that our city and this Council operates in – increasing demands, expectations, and compliance – means that what Council delivers (and what it costs) is not linear to our population growth (21% in the last 10 years). Over the last 10 years, Hamilton City Council has also increased its capital programme by 398%. Our city’s growth brings increased demand for consents, permits and inspections. Private developers hand over millions of dollars of assets like roads and pipes each year for Council to look after, while also providing for ratepayer growth that brings additional revenue. There would be very few Council activities that have been exempt from year-on-year growth. Our Long-Term Plan from 10 years ago (2015-25) forecast operating expenditure of \$2.4 billion. This Long-Term Plan is proposing \$6.3 billion over 10 years, a 162% increase. In that time, our staff numbers have increased 70%, consultant spend has gone up 466% largely driven by the increased capital programme and Plan Changes, and fees and charges have risen by an average of 2.8%. Annual rates increases since 2014 have averaged 4.95%.”
 - iii. **page 17** the addition of “*Council is advocating to government and other partners on options to address the rising costs of three waters services including funding and financing tools, as well as investigating alternative delivery models. These changes may mean we would not need as high rates rises to fund these services in later years. However, to be prudent, this Long-Term Plan is based on the situation as it currently stands.*”;
 - iv. **Page 23** update the sentence to “This would likely mean reductions to some back-office functions and some community facing services”;
 - v. **Page 27** the addition of “Critical services which are legislatively required”.
- d) notes that no further changes, except corrections and formatting, will be made to the 2024-34 Long-Term Plan Consultation Document;
- e) approves the 2024-34 Long-Term Plan Consultation Document Submissions form subject to the following amendment on Page 6 “Do you support reducing services, saving an average of \$10.4 million per year?”;

- f) approves for inclusion in the 2024-34 Long-Term Plan Consultation Document Hamilton Central Business Association's proposal to extend the Business Improvement District (BID) to include a portion of Hamilton East, and to the extend the BID targeted rate catchment to this area, and notes the implementation of this is subject to a change to the BID Policy, the outcome of a BID Poll, and Council confirmation of the extension; and
- g) notes the engagement approach for the 2024-34 Long-Term Plan consultation period.

The meeting was adjourned from 12:23pm to 1:48pm during the discussion of the above item.
The meeting was adjourned from 2:13pm to 2:36pm during the discussion of the above item.

13. Recommendations from Open Committee Meetings

Resolved: (Cr Naidoo-Rauf/Cr Casey-Cox)

That the Council adopt the Open Space Provision Policy 2018 (amended 2024) (**Attachment 1**) subject to the inclusion of the minor amendments agreed at the committee meeting.

Resolved: Cr Naidoo-Rauf/Cr Casey-Cox)

That the Council adopt the Cemeteries and Crematorium Bylaw 2012 (amended 2024) (Attachment 1) effective from 10 April 2024, or other date resolved by Council.

Resolved: (Cr Naidoo-Rauf/Cr Casey-Cox)

That the Council revoke the Cultural and Recreational Facilities Bylaw 2012, effective from 1 May 2024, or other date resolved by Council.

Resolved: (Cr van Oosten/Cr Tauariki)

That the Council:

- a) approves the capital movement as identified in paragraph 28 of the 29 February 2024 Capital Portfolio Monitoring Report; and
- b) approves the significant forecast adjustments and revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 50 to 55 of the staff report.

Resolved: (Deputy Mayor O'Leary/Cr van Oosten)

That the Council:

- a) receives the report;
- b) approves a revised Hamilton City Council Parking Policy 2022 (Option 1), as outlined in Attachment 1 of the staff report, subject to minor amendments to simplify/clarify the language, noting that:
 - i. the recommended changes to the policy follows on from the resolution made at the 28 November 2023 Extraordinary Council 2024-2034 Long Term Plan meeting - "for the purposes of financial modelling and proposed fees and charges approves the inclusion of demand-responsive parking pricing...for short term parking...(and)...all day paid parking.";
 - ii. the policy alignment review identified minor changes were needed to ensure the policy aligns with any decisions on paid parking Council may make through the draft 2024- 2034 Long Term Plan process and for ease of interpretation and administration;
 - iii. decisions around the provisions of paid parking that may be agreed from the 2024- 2034 Long Term Plan will be detailed and set by the Fees and Charges (policy implementation);
 - iv. the parking policy will continue to be used to help make decisions on the direction and approach of parking management in Hamilton city;
 - v. no changes have been made to the policy guiding principles which were developed by Members alongside the Access Hamilton Strategy refresh 2022;
 - vi. the policy will be reviewed every three years, in response to any issues that may arise, at the request of Council, or in response to changed legislative and statutory requirements (whichever occurs first); and

- c) implementation of the policy will continue to include effective and appropriate communications with businesses and parking space users.

Resolved: (Cr Wilson/Cr Donovan)

That the Council:

- a) approves the amended Business Improvement District Policy (**Attachment 1** of the staff report) effective from **5 April 2024**; and
- b) approves the subsequent proposed amendment to the Business Improvement District Policy in **Attachment 3** of the staff report to be effective from **1 July 2024**, subject to the final 2024-34 Long-Term Plan deliberations.

14. Resolution to Exclude the Public

Resolved: (Mayor Southgate/ Cr Thomson)

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section the passing of this resolu
C1. Confirmation of the Council Public Excluded Minutes 20 Febraury 2024) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Confirmation of the Elected Member Closed Briefing Notes 14 February 2024		
C3. Public Excluded Fees and Charges (including GST) Proposed for Year 1 (2024/25) of the 2024-34 Long Term Plan		
C4. Peacocke Programme Update		
C5. Strategic Risk and Assurance Committee - External Appointments Update		
C6. Recommendations from Public Excluded Committee Meetings		

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

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
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Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to avoid the unreasonably, likely prejudice to the commercial position of a person who supplied or is the subject of the information to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (b) (ii) Section 7 (2) (h)
Item C4.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h) Section 7 (2) (i)
Item C5.	to enable Council to carry out negotiations to protect the privacy of natural persons to avoid the unreasonably, likely prejudice to the commercial position of a person who supplied or is the subject of the information	Section 7 (2) (a) Section 7 (2) (b) (ii)
Item C6.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)

The meeting moved into the Public Excluded session at 2:52pm.
The meeting was declared closed at 3:23pm.

Council Report

Committee: Council

Date: 04 April 2024

Author: Keryn Phillips

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Elected Member Open Briefing Notes 13 March 2024

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Closed Briefing Notes of the Elected Member Briefing held on 13 March 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Unconfirmed Open Briefing Notes - 13 March 2024 .

Elected Member Briefing Notes – 13 March 2024 – Open

Time and date: 10.00am, 14 February 2024
Venue: Committee Room 1, Hamilton City Council

Psychoactive Substances Policy

Staff introduced the topic and explained that the purpose of the presentation was to seek advice from Members concerning the Psychoactive Substances Policy and its retention prior to coming to the April Community and Natural Environment Committee meeting. Members asked questions in relation to the following matters:

- Statistics
- Sensitive sites
- Trials
- How the policy has served Hamilton
- Learnings since developing the policy
- Future amendments to the policy if needs arose
- Consultation process and cost

Staff Action: Staff undertook to look at the schedule of policies with Crs Donovan, O’Leary, Macindoe and Naidoo-Rauf to bundle consultation after the Long-Term Plan.

The meeting closed at 10.36am

Item 6

Attachment 1

Council Report

Committee: Council

Date: 04 April 2024

Author: Keryn Phillips

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Elected Member Open Briefing Notes 20 March 2024

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Closed Briefing Notes of the Elected Member Briefing held on 20 March 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Unconfirmed Open Briefing Notes - 20 March 2024 .

Elected Member Briefing Notes – 20 March 2024 – Open

Item 7

Attachment 1

Time and date: 11.30am, 20 March 2024
Venue: Committee Room 1, Hamilton City Council

1. **Dog and Animal Control Review Programme**

Staff introduced the topic and explained that the purpose of the presentation was to enable Members to provide direction to staff on each bylaw (two) and the Dog Control Policy. Elected Members asked questions in relation to the following matters:

- Meaning of accommodation
- Council policy on taking an education first approach
- Comparison to other councils' processes
- Threshold to trigger enforcement
- Cost of the consultation process
- Cost of dog policy and bylaw reviews as a consideration in setting dog registration fees
- Process of public consultation
- Measurable data on effect of enforcement
- Level of complaints on animals other than dogs

Staff Action: Staff undertook to look at communication methods to registered dog owners for the consultation process.

Staff Action: Staff undertook to provide Elected Members with an overview indicating Council's policies and bylaws review programme.

Staff Action: Staff undertook to investigate whether the cost of regular reviews of the dog control policy and bylaw could be a consideration in the setting of the dog registration fees.

The meeting was adjourned from 12.30pm to 1.30pm

2. **Waikato Regional Council Long Term Plan**

Chairperson Pamela Storey, Cr Chris Hughes, Cr Angela Strange, Chris McLay and Phil King from Waikato Regional Council presented the Council's proposed 2024 Long-Term Plan and other proposals. Elected Members asked questions in relation to the following matters:

- Inflation calculation within the Long-Term Plan
- Reduction of funding for Catchment Management
- Public Transport services and fares in Hamilton
- Te Waka funding
- Obligations to the Regional Policy Statement

The meeting was closed at 2.57pm

Council Report

Committee: Council

Date: 04 April 2024

Author: Arnold Andrews

Authoriser: Amy Viggers

Position: Governance Advisor

Position: Governance Lead

Report Name: Chair's Report

Report Status	<i>Open</i>
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Recommendation - *Tuutohu*

That the Council receives the report.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Chair's Report .



Chair's Report

4 April 2024

Consultation for Hamilton's 2024-2034 Long Term Plan is now underway. Many of us are out and about in the community talking to stakeholders and ratepayers about the important work that Council is doing to shape the future of Hamilton. I want to ensure that everyone can have their say. I encourage the community to come along to an event near you or reach out to Councillors to organise something that works for you.

Later this month, as part of my mayoral responsibilities, I will be travelling to Hamilton's friendship-city Ieper in Belgium, to commemorate Anzac Day. I will be accompanied by Maangai Māori, Lieutenant Colonel Olly Te Ua to pay our respects and thank the city of Ieper for honouring and remembering our fallen from WW1.

Between 1917 and 1918, around 5,000 New Zealand servicemen were killed in battles at Belgium's 'Flanders Fields,' a huge loss to a country of little over a million people at the time. The effect on the nation was profound. This visit is an opportunity to remember our Anzac servicemen who paid the ultimate price for peace, as well as strengthen the remarkable connection between our two friendship cities; forged by shared history and values, resilience, and the enduring spirit of remembrance.

It is also an opportunity to thank the people of Flanders and Belgium, for looking after more than 4,600 of our Anzac servicemen who are buried in around 80 cemeteries in Belgium.

As a token of our appreciation, on behalf of Hamilton city, Longveld Ltd has generously made and donated two large panels to mark the entrance way for the Hamilton Park in Ieper. Porters has graciously covered the freight cost. There is no cost to Council. To me, Longveld and Porter's generosity epitomises the true spirit of Hamiltonians.

I look forward to unveiling these panels on behalf of our city and Longveld on Anzac Day, to the people of Ieper, along with a video which stars students of Knighton Normal School, military cadets, Peter Bos of the Last Post Association (and former councilor) and the wonderful Todd Smith of the Hamilton Brass band. As Mayor, I will carry the collective spirit of Hamilton city on this journey, and our commitment to honouring our Anzacs, who made the ultimate sacrifice.

Councilor Ewan, as Chair of Economic Development, will also be travelling later this month to visit our Chinese sister cities - Chengdu and Wuxi. I have asked him to travel there to represent me at the Chengdu Mayoral Forum. International travel costs and accommodation are being met by Chengdu. This will be a valuable opportunity to follow up on recent visits from Chengdu's Mayor and Vice-Mayor, to continue to profile Hamilton's offering as a strategic economic hub in New Zealand, and as an education and tourist destination. Direct flights have recently resumed between Auckland and Chengdu, enabling people flows - with potential to add strength to our economic and people connections.

I thank Ewan for his recent work in reviewing our sister city opportunities and look forward to getting the best outcomes for Hamilton and New Zealand from these.

I also thank Deputy Mayor Angela O'Leary who will be stepping in for me, while I am away. She will do a great job. I will keep up to date with Long Term Plan submissions during my travel, and I look forward to leading the Long-Term Plan hearings process when I return.

Chair's Recommendation

That the Council receives the report.

Paula Southgate

Mayor of Hamilton

Council Report

Item 9

Committee: Council

Date: 04 April 2024

Author: Andrew Parsons

Authoriser: Andrew Parsons

Position: General Manager
Infrastructure and Assets

Position: General Manager
Infrastructure and Assets

Report Name: Three Waters Reform Update

Report Status	Open
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Purpose - *Take*

1. To inform the Council on the recent developments in relation to Three Waters, the Government's Local Water Done Well Initiative, and waters work being undertaken through the Waikato Mayoral Forum.
2. To recommend to the Council, arrangements to ensure that Hamilton's interests and options in relation to Local Water Done Well are addressed and that Hamilton's interests are actively represented in the Mayoral Forum Process.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Council:
 - a) receives the report;
 - b) notes that Government's Local Water Done Well programme;
 - c) notes the initiative taken by the Waikato Mayoral Forum to explore options through the Waikato Water Done Well project.
 - d) notes the Hamilton City Council (HCC) project team established to assist the Council in considering options in response to the Local Water Done Well programme and the use of remaining government funding for waters transformation for this purpose.
 - e) appoints a representative with the mandate to represent Hamilton's interests in the Mayors and Chair Forum Waikato Water Done Well project.
 - f) notes that the HCC representative on the Mayors and Chair Forum Waikato Water Done Well project has no authority to commit HCC other than through formal resolution of Council;
 - g) establishes a Council Waters Working Group to act as a sounding board for waters reform issues and options as set out in the Terms of Reference set out in this report; and
 - h) appoints elected representatives to the Waters Working Group.

Executive Summary - *Whakaraapopototanga matua*

4. The new Government has significantly changed the approach to reform in relation to three waters. The reforms of the previous government have now been repealed. Two further pieces of legislation will put in place a new approach, focused on local decision making within a stringer regulatory and oversight framework.
5. Council needs to be able to participate in the legislative process for water reform and to work through a range of options and choices in relation to waters. Options include the potential for partnership with one or more local authorities both in the Waikato and beyond.
6. Council also needs to effectively engage in joint work by CoLab and overseen by the Waikato Mayors and Chairs Forum exploring the potential for joint delivery of water services and infrastructure.
7. This paper sets out the creation of a project team to support the Council as it considers options with respect to future water delivery and, proposes elected representative arrangements to ensure that the Council can respond to the challenges and opportunities in a fully informed and timely way.
8. This paper proposes the clarification of HCC representation on the Waikato Mayors and Chairs Forum overseeing work by CoLab exploring the potential for joint delivery of water services and infrastructure (Waikato Water Done Well) and the nature of the mandate the HCC representative has.
9. Staff consider the decisions in this report have low significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

Local Water Done Well

10. The Government's 100-day plan included a commitment to repeal the previous Labour government's water reform legislation and implement a new approach that would restore council ownership and control of water assets.
11. As part of its Local Water Done Well programme the government has now completed the repeal process and has committed to progressing two further Bills through Parliament. In announcing the approach and establishing the timetable for reform on 12 February 2024 the Minister of Local Government has stated that:
12. *"The first bill will be passed by the middle of 2024 and will set out provisions relating to council service delivery plans and transitional economic regulation. It will also provide streamlined requirements for establishing council-controlled organisations under the Local Government Act 2002, enabling councils to start shifting the delivery of water services into more financially sustainable configurations should they wish to do so."*
13. *"A second bill to provide for the long-term replacement regime will be introduced in December 2024 and passed by the middle of 2025. This will set out provisions relating to long-term requirements for financial sustainability, provide for a complete economic regulation regime, and a new range of structural and financing tools, including a new type of financially independent council-controlled organisation."*
14. *"The second bill will also establish regulatory backstop powers, to be used when required to ensure effective delivery of financially sustainable or safe water services. In addition, it will also make necessary amendments to the water regulator's legislation to ensure the regulatory framework is fit for purpose and workable for drinking water suppliers."*

15. *“Local Water Done Well recognises the importance of local decision making and flexibility for communities and councils to determine how their water services will be delivered in the future. We will do this while ensuring a strong emphasis on meeting rules for water quality and investment in infrastructure.”*
16. The intended content of each of the three pieces of water legislation are set out in Figure 1 below.

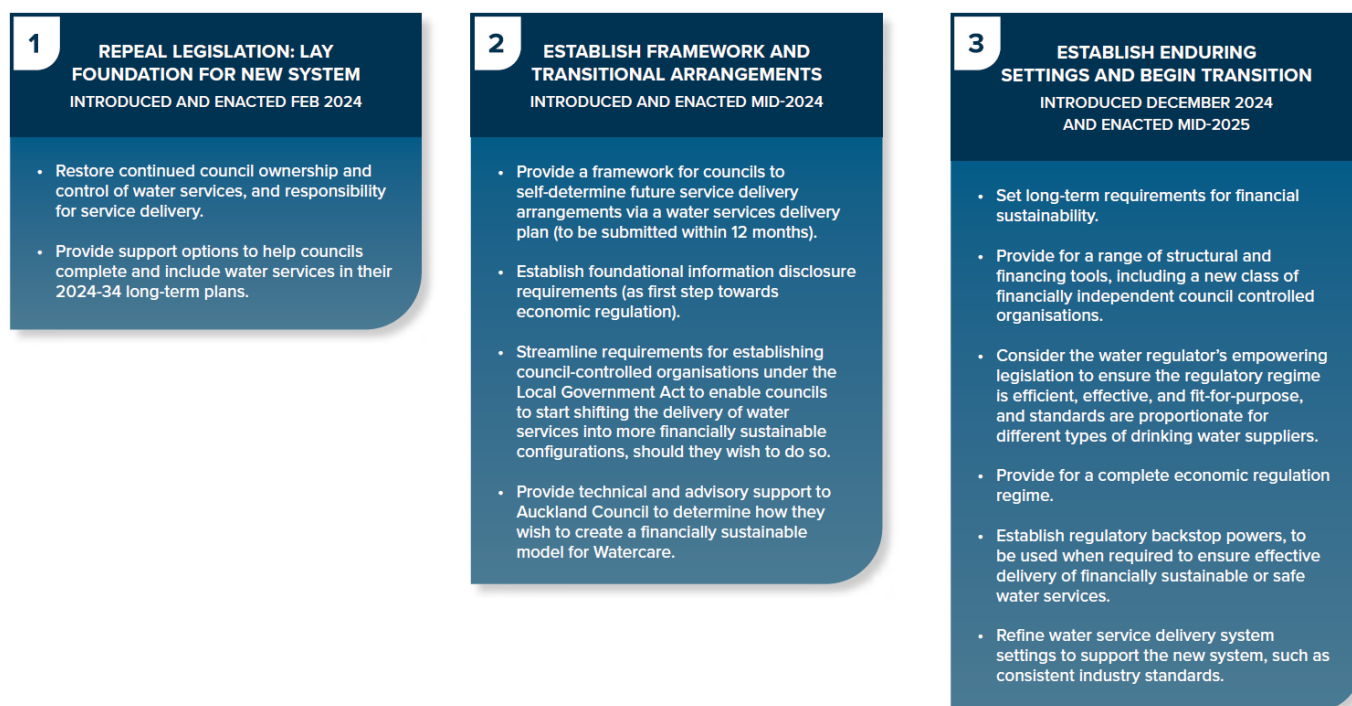


Figure 1: Local Water Done Well Three Step Legislative Plan

17. The Minister expects that all legislation to support the implementation of Local Water Done Well is expected to be passed by mid-2025 – ahead of the local government elections in October 2025.
18. The Minister of Local Government has written to the Mayor of Hamilton (**Attachment 1**) setting out the immediate steps in the Local Water Done Well programme and outlining options for the Council to complete its 2024-34 Long-term Plan. These options recognise the challenge of putting back into the Long-term Plan three waters activities.
19. The Minister has established a Technical Advisory Group to contribute specialist and technical expertise to himself and the Department of Internal Affairs as policy and legislation to implement Local Water Done Well is developed. The Minister has stated that “the TAG will be focussed on providing advice and assurance on policy and legislative settings that will enable local councils to appropriately recover costs and access the long-term debt needed to fund the required investment in water infrastructure.”
20. The Technical Advisory Group members are:
- Andreas Heuser** (Chair), Managing Director at Castalia Limited. Andreas has a background in economic and policy projects specialising in energy sector strategy, water reform, and natural resource economics.
- Raveen Jaduram**, Director of the New Zealand Infrastructure Commission. Raveen has a background in water infrastructure, including six years as the Chief Executive of Watercare.

Wendy Walker, Chief Executive of Porirua City Council. Wendy has a background in local government, strategic planning, and public management.

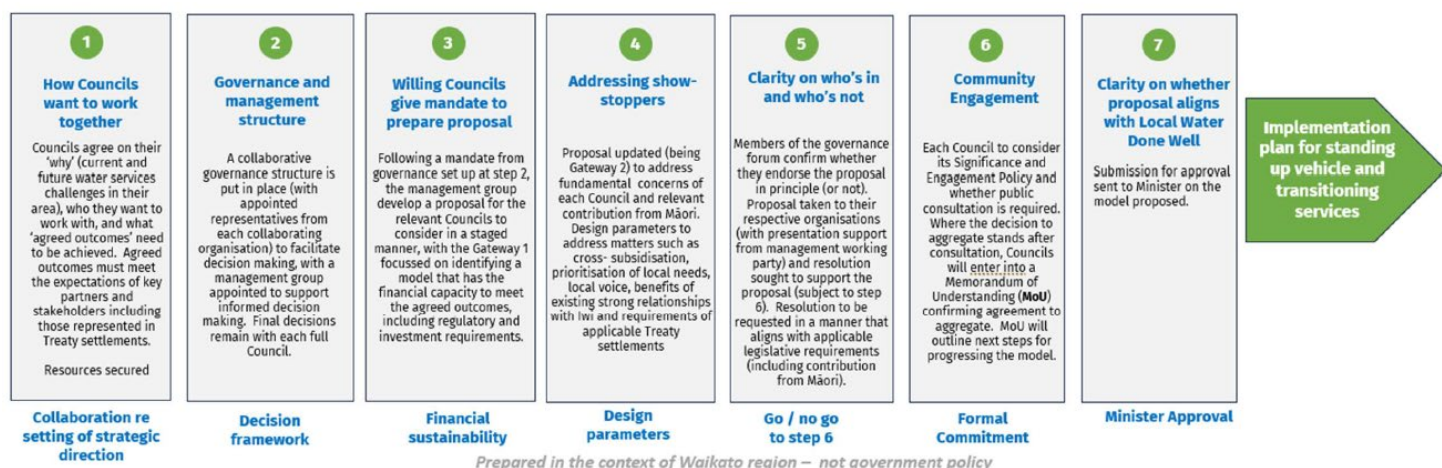
Mark Reese, Partner at Chapman Tripp. Mark specialises in finance and infrastructure and has significant knowledge and experience across legal and financial aspects of project and asset financing.

Simon Weston, Chief Executive of Whangārei District Council. Simon has a strong background in infrastructure, construction and local government in the United Kingdom, Auckland, and Northland.

21. The Government's full policy framework is still being developed and will be revealed through the sequence of legislation announced by the Minister. However, at this point it is clear that the policy detail will be informed by the Government's key principles for water services delivery, namely:
 - a) Introducing greater central government oversight, economic and quality regulation
 - b) Fit-for-purpose service delivery models and financing tools, such as improving the current council- controlled organisation model, and developing a new class of financially separate council-owned organisation.
 - c) Setting rules for water services and infrastructure investment
 - d) Ensuring water services are financially sustainable.
22. Application of the above principles will require councils to fundamentally review water services delivery operations, whether water services are retained in-house or transitioned into a separate organisation / vehicle. Councils will need to develop a water plan demonstrating how they will respond to the reforms and ensure compliance with the new requirements.
23. Economic regulation is a key feature of the Local Water Done Well approach. This means that in addition to existing environmental regulation for the taking and discharge of water, and regulation of drinking water and oversight of wastewater and stormwater by Taumata Arowai, there are likely to be new economic rules relating to investment (including under or over investment), costs and cost-recovery (pricing and charges), and transparency and disclosure of costs and revenue.
24. At each stage of the Local Water Done Well programme HCC will have the opportunity to engage in the legislative process and will also need to respond to the challenges and opportunities that emerge. At this stage it is not possible to fully estimate the extent of the work that will be required to effectively respond.

Waikato Response

25. In response to the change in direction signalled in Local Water Done Well, CoLab has initiated work to support individual councils, to make informed decisions on whether the aggregation of Waikato water services can deliver on the needs of Waikato communities, either regionally or sub-regionally. This work is overseen by the Waikato Mayors and Chairs Forum. The scope of this work is set out in **Attachment 2**.
26. The work for the Forum is supported by a working party comprising Chief Executives from Councils and Iwi Organisations, together with Vaughan Payne. The purpose of the working party has been to provide the Forum with the technical support required to generate the requested deliverables and support informed decision making at a governance level.
27. A draft roadmap comprising seven steps has been developed to help identify which councils (supported by Iwi partners) are willing to work together to form a Waikato water services organisation, and to submit a water services plan to the Minister for approval. The Forum has effectively completed step 1 and step 2 set out below.



28. The Mayors and Chairs Forum considered an initial draft report at its meeting of 11 March 2024. The report proposes exploring a number of options as a way of progressing consideration of which Councils are interested and willing to proceed further to develop a proposal. Following some refinement that report will be available to all Councils to consider.
29. The proposed work through the Mayors and Chairs Forum will address a number of structural options including the establishment of an asset owning CCO. A number of geographic options that could emerge from this work – including the potential for Waikato-wide or sub-catchment-based models. The analysis will build on the data collected and work undertaken by DIA through the 3 waters National Transition Unit.
30. The next meeting of the Mayors and Chairs Forum is on 22 July 2024. By that time HCC will need to have considered how it will respond to the options under consideration and how it will respond to the challenges and opportunities of Local Water Done Well.

Discussion - *Matapaki*

31. As noted above, HCC will need to be equipped to engage in the Local Water Done Well policy and legislative process and to also respond to the challenges and opportunities that emerge from legislative reform. HCC will also need to be able to effectively engage in and respond to the work undertaken by the Mayors and Chairs Forum.
32. HCC learnt significant lessons from the effort that it previously devoted to trying to negotiate the establishment of a Waters CCO with Waikato and Waipa District Councils. This included the need to ensure that those engaged in work developing and exploring options had the mandate to do so, and the need to ensure that technical and policy work was sufficiently close to elected representatives that key decisions could be made in a timely way.
33. HCC also learned the need to ensure that the representatives of any potential partner had the same level of mandate to engage in the development and choice between options, and any negotiation over the substance of a proposed new organisation.
34. Decisions over the future delivery of water services and assets is significant for the people and communities of Hamilton. In considering future delivery options HCC must consider what is in the long-term best interests of Hamilton. Decisions in relation to water will also be significant in relation to the JMAs that the Council is a party to, and to its obligations under Te Ture Whaimana.

35. The decisions and approach that HCC takes in relation to the delivery of water services are also material for the other Waikato local authorities. As the largest waters service provider in the Waikato catchment, Hamilton's participation (or not) in a larger Waikato-wide delivery options will materially affect the ability of any new entity to achieve benefits of scale. Equally, Hamilton's need for capital investment to support growth will significantly impact on the available debt headroom in any new waters entity.
36. In addition to the Waikato options being considered by the Mayors and Chair Forum HCC has expressed the desire to consider options that would include Tauranga. Logically such an option could also include Western Bay of Plenty District. Exploring these options will require joint work by HCC and Tauranga in addition to the Forum's activity.
37. HCC will need to carefully and fully consider quite a number of options and be able to make fully informed decisions quickly. To support the Council to do this, the Chief Executive has established a small project team comprising:
 - a) Andrew Parsons, General Manager Infrastructure and Assets
 - b) Maire Porter, Unit Director – Three Waters
 - c) Nigel Ward, Communications and Engagement Manager - Special Projects
 - d) Peter Winder
 - e) Matthew Walker
38. Peter Winder will be familiar to many Councillors from his role in facilitating the negotiations with Waikato and Waipa Districts over the establishment of the proposed water CCO, from his role and Project Director for the Metro Wastewater Detailed Business Case and in supporting Future Proof. Matthew Walker will be well known from his time working at HCC. He brings to the team significant experience in the funding and financing of growth and waters infrastructure.
39. The Project Team is being funded from the remaining waters transition funding provided by the previous government. This funding will run out at the end of the current financial year.
40. The Council's interest in the future of waters services is significant. Waters accounts for 30% of the Council's annual operating expenditure, 54% of the proposed capital expenditure over the life of the 2024-34 Long-term Plan, and 30% of the assets owned by the Council. Solving the funding challenge for waters assets is critical for the financial sustainability of the Council.
41. Decisions in relation to the future of water services will need to be made by the whole council. However, staff see considerable value in establishing a Council Waters Working Group who can act as a sounding-board and reference group for the project team as they work through the many different options that the Council faces.
42. HCC will need to be nimble and responsive to a wide range of view, opportunities and challenges as the Local Water Done Well legislative and policy programme progresses. The timeline for legislation is quick, there will be little time to respond to Bills.
43. The proposed Terms of Reference for the Working Groups is set out in **Attachment 3**.
44. Staff also see the need for HCC to formalise its representation in the work undertaken through the Waikato Mayors and Chairs Forum on the future of water services and infrastructure delivery. Given the complexity of the number of parties involved and the significance of the issues under consideration, it is important that all the parties understand that HCC's representative cannot commit the Council, other than through formal resolution of Council.

Options

45. Staff have recommended establishing a Council Working Group. The alternative is for all work relating to waters reform and future options for the delivery of waters services and infrastructure to be addressed by the whole of Council, or by a Committee of Council. These are both valid options. However, staff see value in a working party with no decision-making authority because it will allow more timely engagement with elected members and help to ensure that when matters do come before Council all likely issues or concerns for councillors are addressed in the analysis presented by staff.
46. Staff also see value in the opportunity to formalise Council's representation and mandate in relation to the Waikato Mayors and Chairs Forum work on water. The approach proposed provides clear political representation in the Forum for this issue, but also makes it clear that the representative cannot commit the Council other than through formal resolutions of Council.

Financial Considerations - *Whaiwhakaaro Puutea*

47. The cost of this project in the current financial year will be funded through the Waters Transition Funding provided by the previous Government. There is currently no funding for this activity for the 2024/25 financial year. Neither is there funding provided for the establishment of any new waters entity in the draft Long-term Plan 2024-34.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

48. Staff confirm that the recommendations comply with the Council's legal and policy requirements.

Climate Change Impact Statement

49. The recommendations in this report do not require further assessment against the Climate Change Policy for both emissions and climate change adaptation.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

50. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
51. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
52. The recommendations set out in this report are consistent with that purpose.

Risks - *Tuuraru*

53. The most substantial risk facing the Council in relation to the matters addressed by this report would be failing to address the very real issues, challenges and concerns facing the Council as it responds to the Local Water Done Well programme and the known financial, borrowing, and major investment challenges it faces in relation to water services and infrastructure.
54. The recommendations in this report are intended to assist the Council to respond to these risks.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

55. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

Engagement

56. The recommendations of this report are intended to provide the framework that ensures that community views are addressed as the Council considers options for the future.
57. The Council retains the ability to decide at a future time to consult on options for waters delivery if it considers that necessary and appropriate.
58. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Minister of Local Government Letter to Mayor Southgate Hamilton City Council - January 2024

Attachment 2 - CE Working Party meeting 9 February 2024

Attachment 3 - Waters Working Group - Terms of Reference .

Hon Simeon Brown

MP for Pakuranga

Minister for Energy

Minister for Auckland

Minister of Local Government

Minister of Transport

Deputy Leader of the House



Mayor Paula Southgate
Hamilton City Council
Email: paula.southgate@council.hcc.govt.nz

cc. Lance Vervoort Chief Executive
Email: CEO@hcc.govt.nz

Dear Mayor Southgate

New direction for water services delivery

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

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

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

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

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

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

1. Repealing the previous Government's water services legislation

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

- All legislation relating to water services entities will be repealed (Water Services Entities Act 2022, Water Services Entities Amendment Act 2023, and Water Services Legislation Act 2023).

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- Previous legislation related to the provision of water services will be reinstated (including local government legislation). This will restore continued council ownership and control of water services, and responsibility for service delivery.
- The Northland and Auckland Water Services Entity (the only entity that had been legally established under the Water Services Entities Act 2022) will be disestablished and any outstanding work on the entity's set-up will cease.
- Councils will need to add and integrate information about water services into their 2024 long-term plans. Some transitional support options are available to assist you (below).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Simeon Brown'.

Hon Simeon Brown
Minister of Local Government

**CE Working Party
to
Joint Waikato Chairs and Mayors Forum**

9 February 2024

Item 9

Attachment 2

Public knowledge regarding Local Water Done Well

Key principles for the Government's future plan for the delivery of water services include:

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

Current expectations:

What	When
Repeal: Repeal of all Three Waters legislation	Bill introduced in Feb 2024
Water Quality Rules: Likely to involve amendments to Taumata Arowai governing legislation to target water quality	Bill to be introduced in 2024
Investment Rules: Likely to include a Water Infrastructure Regulator within the Commerce Commission focussed on (a) monitoring asset management (b) water pricing (c) quality standards for water infrastructure.	Bill to be introduced in 2024
Water Plan: Councils will be asked to deliver a plan for Ministerial approval on how they will transition their water services to a new model that meets water rules and will be financially sustainable in the long-term.	"Within a year" of the Three Waters legislation being repealed
Programme Closure: National Transition Unit to be closed down.	End of March 2024

Collective Purpose

Purpose of Forum:

To provide collective leadership in respect of the needs of the Waikato region in relation to water services

Key objectives include:

- Speak with one voice
- Consider and recommend the preferred option for how water services could be delivered in the Waikato in a manner that is focussed on meeting the needs of the Waikato

Context – where we are against Waikato Journey to Date

1. Joint Forum Established (Mayors and Chairs) (August 2023) – purpose to provide collective leadership re water services in Waikato – provides direction and mandates progression of work

2. Working party of Council and Iwi organisation CEs (provide technical support to Forum) (August 2023)

3. Stage 1 - Agreement on the case for change and outcomes that need to be achieved (agreed in principle – final approval ongoing)

Where we are now – 27 November 2023, Forum resolved that Working Party continue to progress stage 2 in parallel to stage 1.

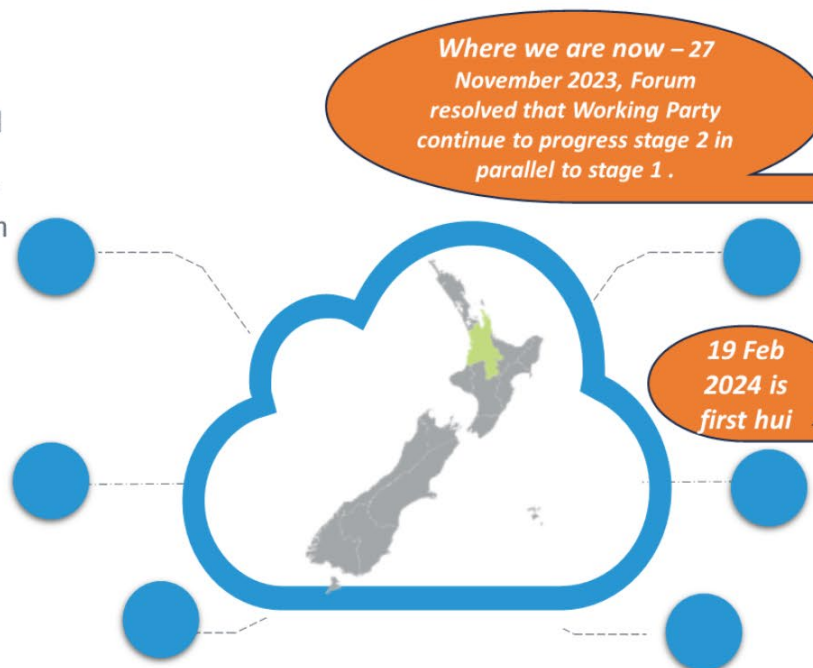
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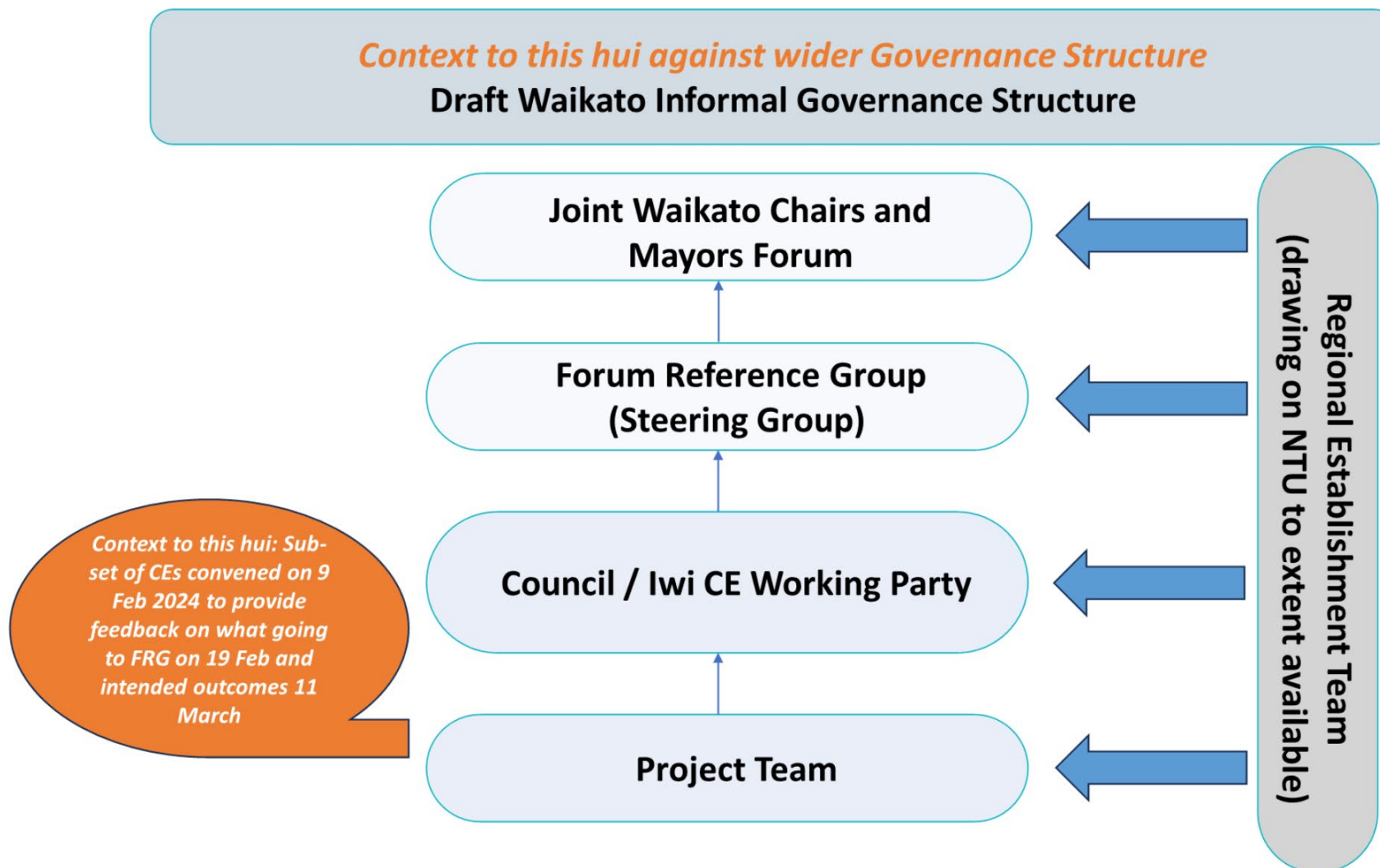
4. Stage 2 – how to achieve the agreed outcomes (broken into two Gateways with **Gateway 1 focussed on determining the vehicle that will deliver on financial capacity) (ongoing)**. Councils that agree to Gateway 1 will advance to Gateway 2. Gateway 1 advancing over Q1 and Q2 2024.

5. Forum Reference Group - small group of Mayors and Iwi Chairs appointed to Forum Reference Group as a steering group for technical working party (appointed November / December 2023)

6. Resourcing: Local project team established with Council staff and local DIA personnel, drawing on support from Central DIA where appropriate. Focus is on efficiency and leveraging off work done to date and resources in place.

To be discussed later in hui





Background and summary

The Mayors and Chair of Waikato Councils and the Chairs of Waikato Iwi Organisations wish to provide collective leadership in respect of the water services needs of the Waikato region. To this end, the leaders have formed the Joint Waikato Iwi Chairs and Mayors Forum (Forum).

To document their joint position on water services, the Forum members agreed in principle to a position statement on why change is needed in relation to water services delivery in the Waikato and the outcomes the Forum agrees need to be achieved. This position statement is referred to as Stage 1 of the position statement development.

The Forum members who agree to the Stage 1 joint outcomes (in principle or otherwise) wish to advance to stage two, which seeks to identify the option that achieves the agreed outcomes i.e. how water services delivery change should be implemented across the Councils to achieve the agreed outcomes.

The gateways for considering the structure and mechanisms that can achieve the outcomes are set out in the adjacent table, together with the proposed evaluative criteria for each option. The process for advancing stage 2 will be through a working party, a proposed Forum members reference group and the Forum - proposed activities

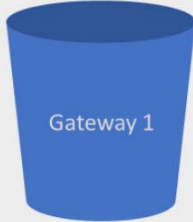

Brief of Work - Identifying the preferred option to achieve agreed outcomes

Recap on what was mandated by Forum

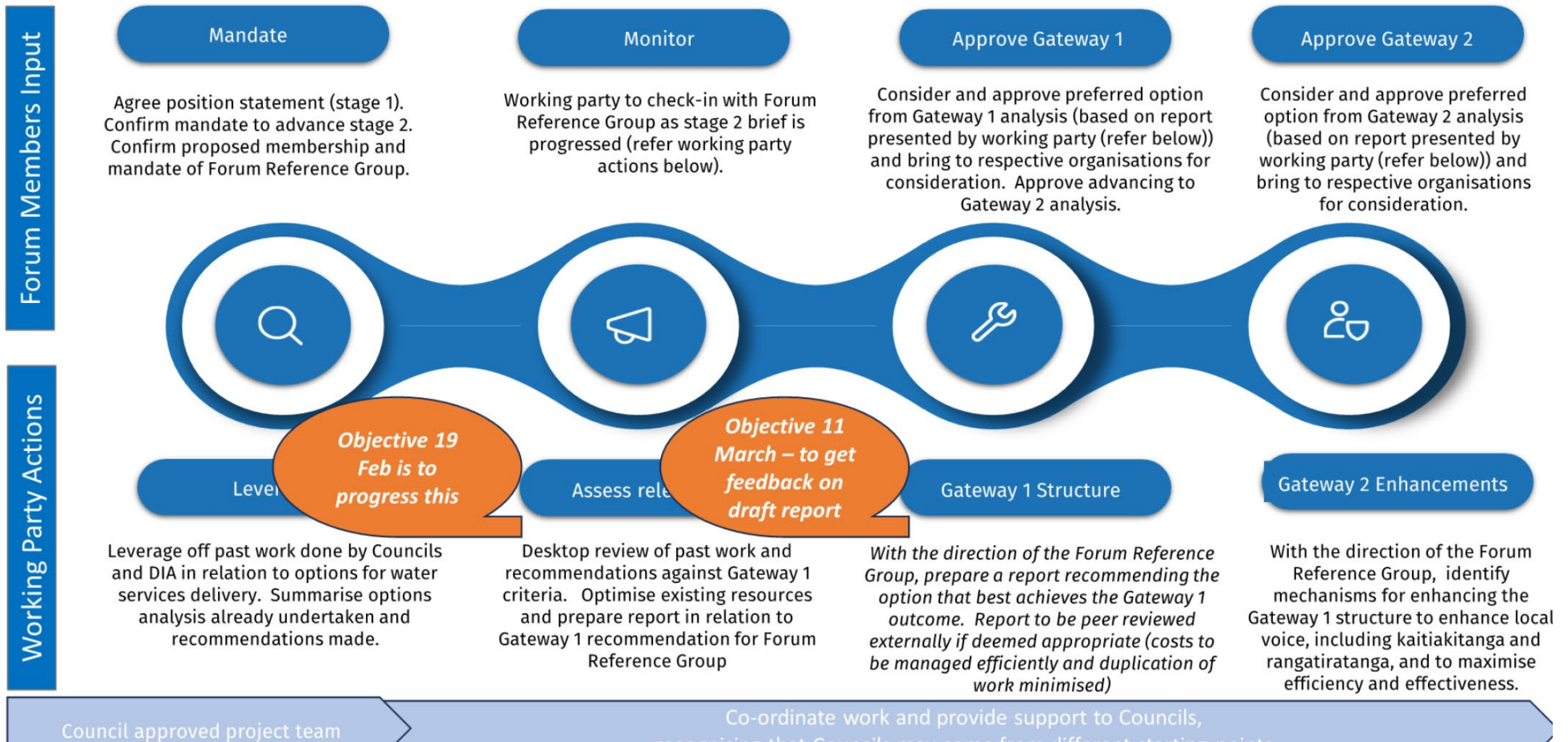
Any aggregation of water services must achieve the following outcomes:

- **create scale** and change to **enable the significant investment** required that is out-of-reach of individual councils alone
- ensure **local voice** is represented in critical decision-making around water investment and management across the region, including decisions in relation to water takes and water discharges
- meet the **expectations of key partners** and stakeholders including those represented in **Treaty settlements**
- create the conditions to **build and sustain a highly skilled and adaptable water workforce** that can innovate and collaborate to drive outcomes for Waikato and is seen as world-leading
- be **customer-focused**, leveraging new technologies, while also building customer awareness of their role in the water system and the value of water

Gateways for considering the structure and mechanisms for achieving outcomes

Outcome	Gateways	Criteria (to be updated in line with Incoming Government policy direction)
How can the Waikato create scale that enables significant investment i.e. what is the appropriate vehicle for aggregating water services?	 Gateway 1	<ol style="list-style-type: none"> 1. Debt and revenue required to finance and fund investment 2. Borrowing cost needs to be spread over the long term to ensure affordable 3. Need to create more efficiency in capital spend and operations (and lay foundations for new regulatory environment) 4. Structure that enables additional balance sheet capacity 5. Ability to respond to increased expectations
How can Waikato ensure local voice is represented and expectations of key partners are met, including those represented in Treaty settlements	 Gateway 2	<ol style="list-style-type: none"> 1. Captures the benefits of existing strong Councils and Iwi partnerships. 2. Extent to which Gateway 1 structure can reflect Iwi position as kaitiakitanga and rangatiratanga 3. Gateway 1 structure can be enhanced to effectively deliver local voice and expectations, including Treaty settlements. 4. Extent to which Gateway 1 structure can be enhanced to efficiently deliver local voice and expectations, including Treaty settlements.

High level process map to advance to stage 2 (this being to identify how to achieve the agreed outcomes)

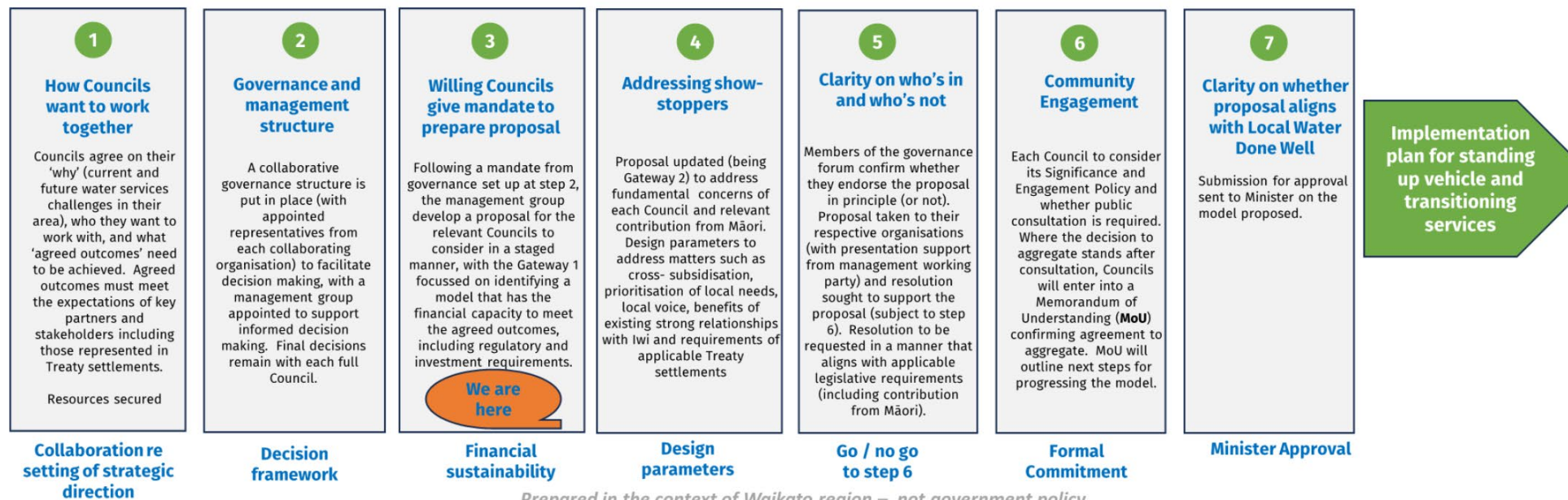


Item 9

Attachment 2

Draft Roadmap to an approved Water Plan

- Under Local Water Done Well, it is expected that **Councils will choose an appropriate model** that complies with specific Government principles relating to the delivery of water services (economic and quality regulation, infrastructure investment rules and demonstrating financial sustainability). Giving effect to Crown Treaty Settlement obligations is also expected e.g. Te Ture Whaimana for the Waikato river.
- Councils must develop local proposals (water plans)** for consideration by central government (and Minister approval). Further direction on the requirements of proposals will be provided by Government in the early part of 2024. The focus of this slide is to put forward a very high-level process for Councils to get from where they are now to submission of a water plan proposal to central government.
- The **content of the proposal will evolve with Government policy and direction** and will be informed by any brief of work mandated by Councils. The process is non-linear. Steps may be repeated over time and the starting point may be different among Councils.
- Councils are responsible** for setting strategic direction over and above the key principles set by central government, decision-making consultation (including engagement with Māori) in accordance with applicable legislative requirements, relevant Treaty settlement obligations and applicable internal policies.



Prepared in the context of Waikato region – not government policy

Waikato Water Done Well Status Report

Waikato Mayors and Chairs Joint Forum

11 March 2024

1. Introduction

The health and wellbeing of water equals the health and wellbeing of communities.

Over the last three years, water services reform proposals have changed significantly but the need to provide safe, resilient, and affordable water services remains the same. In light of this need, the Waikato Mayors / Chair of Councils and Iwi leaders came together in July 2023 to discuss how they could provide collective leadership for the people of the Waikato in the context of water services (drinking water, wastewater and stormwater). From this the Waikato Mayors and Chairs Joint Forum (**Forum**) was formed.

The Forum's current focus is to support and empower individual councils to make informed decisions on whether the aggregation of Waikato water services can deliver on the needs of Waikato communities, either regionally or sub-regionally. The Forum has no mandate to make decisions on behalf of individual councils.

2. Key factors in any decision

To enable councils to make decisions that address the root cause of problems with water services delivery, not just the symptoms, it is recommended that the following key factors be kept in mind:

- a) **There is no quick fix:** any restructuring of water services delivery will not result in an immediate solution to current nor future challenges. However, it is a necessary first step. The pathway forward needs to be looked at through at least a 10-to-15-year lens.
- b) **This is not just about financials:** Any assessment of the benefits of scale needs to be balanced with communities continuing to have input into decisions that impact them.
- c) **Status quo is not an option:** The government's 'Local Water Done Well' programme is clear. 'Local Water Done Well' will require councils to fundamentally review water services delivery operations, whether water services are retained in-house or transitioned into a separate organisation. The status quo, where individual councils operate water services independently and do not have the benefits of scale, is simply not an option.

3. Does Local Water Done Well affect the work of the Forum?

Since the Forum was formed, the national context for water services reform has changed, with Local Water Done Well being the current Government's policy. This seeks to empower local decision-making about future water services delivery but in the context of increased government oversight requirements.

These future requirements will see water services move to whole of system regulation rather than the current 'end of pipe' regulation. Simply put:

- a) The taking of water and discharge of water (end of pipe) will continue to be regulated (Regional Council)
- b) Drinking water and wastewater treatment will become more heavily regulated (Taumata Arowai)
- c) New requirements will be introduced covering investment in network and treatment plants - whether over investment or under investment (investment rules)
- d) The cost of providing water services will be regulated through robust information disclosure requirements imposed on water services delivery providers and scrutiny of the price charged to end users (economic regulation)

The above will be achieved through two tranches of legislation; one will be passed into law by mid-2024 and the second by mid-2025. At its heart, the objectives of Local Water Done Well align with the objectives of the Forum.

4. Should the Forum not wait until legislation is introduced?

In advance of legislation being introduced, regions such as the Waikato have the opportunity to proactively define how regional water services could meet existing and future challenges and, therefore, influence the legislation. All work carried out around options will feed into the analysis that councils will be required to do in any event as they consider how to complete the required water services plans (due mid 2025).

5. Why should councils consider aggregation?

To understand why aggregation is being considered, it is necessary to recap on the challenges facing council and the benefits that aggregation can provide in this context.

(a) Challenges

The challenges (which are identified in the figure below) are significant and will increase as the whole of system regulation mentioned above starts to be implemented. The water services delivery plans that are due to be submitted by mid-2025 will require, among other things, that Councils (whether regionally, sub-regionally or individually) demonstrate they can in fact deliver water services in a financially sustainable way and meet new regulatory requirements. The plans will need to set out how the challenges to delivering levels of service will be addressed.

As per the below figure, the challenges are inextricably linked and are likely to be beyond the means of any one council to address alone.



- **Financial constraints:** Revenue and borrowing are highly connected. Borrowing can be increased if revenue is increased (debt to revenue ratios). However, where the need for revenue is greater than acceptable increases in rates, affordability concerns arise and this has an impact on access to borrowing.
- **Increasing compliance:** The increased central oversight will result in whole of system regulation (including investment rules and economic regulation) and will put more pressure on the other challenges in the cycle.
- **Workforce availability:** While the Government is working on structural and financing tools that may assist with funding constraints, this will not address the risk of the market being unable to deliver on the work programme. The risk is significantly heightened if councils continue to compete for the same resources (internal and external) at the same time.
- **Increasing investment:** Waikato Councils are projecting a capital works programme (circa \$5.4billion based on the draft 2024 Long Term Plans) over the next decade, with this projected to peak in 2029. In just three years the cost of the projected capital works has more than doubled (2021 LTP was \$2.8billion). This is significant but is also likely to be conservative.

(b) Benefits of an aggregated model:

The benefits of an aggregated model include:

- **A stable revenue path:** aggregation provides the opportunity to achieve pricing stability (aligned to long term investment needs) by an organisation having a single focus on water services.
- **Preparing for regulation:** once economic regulation is effective (likely to be by 2027), the ability of councils to influence the price of water services (whether in a separate vehicle or in-house within councils) will be limited as the regulator will put increasing pressure on the council / organisation on how consumer charges are set. An aggregated model provides councils with a ring-fencing solution as they can remove water services

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activity from their main activities and transfer into an organisation designed to respond to regulatory requirements. It will also enable councils to put the larger residual activity of councils at arms-length to water services - thereby safeguarding the residual business of councils from being tainted by economic regulation.

- **Single capital works programme:** as noted above, Waikato councils are projecting a capital works programme (circa \$5.4billion) over the next decade, with this projected to peak in 2029. Aggregation will enable a collective focus group to manage this extensive capital works programme and ensure not only that the work is done but that it is done at the best price. Aggregation creates scale and scale will enable greater efficiency in overheads, planning and procurement.
- **Achieving Agreed Outcomes:** Enabling the Waikato to achieve each of the agreed outcomes identified by the Forum (refer to next section for detail).

6. What has the Forum been up to?

Against this backdrop, the Forum members have been working together to identify and work through options on how these challenges can potentially be addressed in the context of Waikato communities. The Forum's work is effectively moving through the seven-step roadmap set out below; this seeks to help councils identify who they are willing to work with (if anyone) to deliver water services and submit a water services plan to the Minister for approval. The timeframes between July 2024 and July 2025 included below are indicative only and are dependent on council decisions and Government direction.

As stated above, the Forum seeks to support individual councils making informed decisions on whether the aggregation of Waikato water services can deliver on the needs of Waikato communities, either regionally or sub-regionally. The exercise is to position each Council to understand how water services could look for their communities and make decisions on this basis. Currently the Forum is working through step 3 and step 4, with a view to each member bringing something to their respective organisations (should they so wish) in August 2024.

Draft Roadmap to an approved Water Plan



Prepared in the context of Waikato region – not government policy

The Forum seeks to support Councils achieving the following outcomes:

- (a) create **scale** and change to **enable the significant investment required** that is out-of-reach of individual councils alone
- (b) create the conditions to build and sustain a **highly skilled and adaptable water workforce** that can innovate and collaborate to drive outcomes for Waikato and is seen as world-leading
- (c) be **customer-focused**, leveraging new technologies, while also building customer awareness of their role in the water system and the value of water
- (d) ensure **local voice is represented** in decision-making around water investment and management across the region, including decisions in relation to water takes and water discharges
- (e) meet the **expectations of key partners and stakeholders** including those represented in Treaty settlements.

The Forum met on 11 March 2024 to consider:

- (a) vehicle options (e.g. shared services; CCOs) for any aggregation of water services;
- (b) potential spatial options for aggregation, with three spatial options identified namely: whole of Waikato (all 10 Councils); Waikato River and West Coast Harbours (Waitomo, Otorohanga, Taupo, South Waikato, Waipa, Hamilton and Waikato councils), and Hauraki-Coromandel catchment (Matamata-Piako, Hauraki and Thames-Coromandel councils); and
- (c) “show stoppers” being a summary of the concerns that have been raised by Forum members in relation to an aggregated entity e.g. position to be applied in relation to stranded costs, prioritisation and cross-subsidisation.

7. Next Steps

The next steps agreed by the Forum on 11 March 2024 were:

- 1) Further work to be carried out on the spatial options, including a workshop with the key Council staff to test the outputs from the financial modelling done to date
- 2) Developing design parameters to address the “show-stoppers”
- 3) Preparation of a final report to be submitted to the Forum on 22 July 2024 for the members’ consideration and for them then to bring to their respective organisations for feedback and / or agreement.

Waters Working Group

Reports to:	The Council
Chairperson:	as appointed by Council
Membership:	as determined by Council
Meeting frequency:	As required
Quorum:	Half plus one of the number of members appointed by Council – noting that meetings of the group will be informal and no decisions will be made.

Purpose and Terms of Reference:

1. To act as a political reference group and sounding board for staff in relation to the development of HCC's response to Local Waters Done Well.
2. To act as a political reference group and sounding board for staff and Council's nominated representative in relation to the Waikato Waters Done Well initiative by the Waikato Mayors and Chairs Forum.
3. To provide insights necessary to ensure that the consideration of options for the future delivery of waters services and infrastructure developed by staff address the issues and concerns of elected representatives.

Delegations: None

Special Notes:

The members of the Waters Working Group are expected to develop particular insights and understanding in relation to waters and options for the future delivery of waters services and infrastructure that will help Council make timely and informed decisions.

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes 14 March 2024) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Peacocke Programme Update		

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

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to enable Council to carry out negotiations	Section 7 (2) (i)