Waikato Regional Council
Council
OPEN MINUTES

Date: Thursday, 30 May, 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 Hennebry
Cr S Husband (until 11.27am)
Cr S Kneebone
Cr F Lichtwark
Cr D Minogue
Cr B Quayle
Cr R Rimmington
Cr B Simcock
Cr H Vercoe
Cr K White

Staff Present: V Payne - Chief Executive Officer
C Crickett - Director Integrated Catchment Management
T May - Director Science and Strategy
N Williams - Director Community and Services
C McLay – Director Resource Use
J Cox – Team Leader Democracy
1. **Apologies**

The meeting opened at 10.48am and the Chair welcomed members and visitors to the meeting.

Apologies were received from Cr Hayman (on leave), and Cr Hodge for absence (on other business).

WRC19/93

*Moved by:* Cr S Kneebone  
*Seconded by:* Cr B Simcock

**THAT the apologies of Cr Hayman (leave of absence) and Cr Hodge (other business) be accepted.**

The motion was put and carried

2. **Confirmation of Agenda**

A member noted the discussion that had occurred within the April meeting of CE Employment and Remuneration Committee, within the Public Excluded Section and further discussion that occurred at the 21 May 2019 meeting of the CE Employment and Remuneration Committee, and subsequent workshop. The member queried whether the discussion had at those meetings and workshop would be discussed along with Item 7.2 the CE Submission to the Draft Annual Plan. It was confirmed for members that direction was taken from the discussions had at those meetings and reflected in the report with the assumption around the budget for salaries.

WRC19/94

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

**THAT the agenda of the meeting of the Waikato Regional Council of 30 May 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**

4.1 **Council Minutes**

Minutes of the meeting of Council held 30 April 2019.

Noting the decision made at the April meeting regarding attendance at the Local Government New Zealand Annual General Meeting, Crs Livingston and Vercoe noted they were not able to attend. As Cr Livingston had been put forward as the presiding member he proposed a motion to revoke the decision and replace the presiding and alternate delegates.

WRC19/95

*Moved by:* Cr A Livingston  
*Seconded by:* Cr R Rimmington
Procedural motion

THAT pursuant to Standing order 23.1, Council revoke (in part) decision WRC19/80, point 3

3. THAT council confirms the following councillors as its delegates for the Annual General Meeting:
   - Cr Alan Livingston as the presiding delegate,
   - Cr Quayle as the alternate presiding delegate
   - Cr Lichtwark as a delegate
   - Cr Minogue as a delegate
   - Cr Vercoe as a delegate.

And replace it with:

3. THAT council confirms the following councillors as its delegates for the Annual General Meeting:
   - Cr Quayle as the presiding delegate,
   - Cr Minogue as the alternate presiding delegate
   - Cr Lichtwark as a delegate

The motion was put and carried

WRC19/96

Moved by: Cr A Livingston
Seconded by: Cr R Rimmington

THAT the Minutes of the Council Meeting of 30 April 2019 be approved as a true and correct record.

The motion was put and carried

5. Committees Reporting to Council

5.1 Waikato Raupatu and Waikato Regional Council Co-Governance Committee

Minutes of the meeting of the Waikato Raupatu River Trust and Waikato Regional Council Co-governance Committee held 5 April 2019.

Cr Mahuta noted:
   - Trying to get more gains out of processes - testing the thinking of the mature relationship with the tribe and council.
   - There was an upcoming meeting with the River Settlement Iwi and the crown, and Waikato Tainui had agreed to also take up the discussions on the ongoing cost of settlement, through this process.

Minutes attached as Appendix 1 (Doc#14091356).
WRC19/97
Moved by: Cr T Mahuta
Seconded by: Cr F Lichtwark

That the minutes of the meeting of the Waikato Raupatu and Waikato Regional Council Co-Governance Committee held 5 April 2019 be received.

The motion was put and carried

5.2 CE Employment and Remuneration Committee

Minutes of the meeting of the CE Employment and Remuneration Committee held 10 April 2019.

Minutes attached as Appendix 2 (Doc#14321245).

WRC19/98
Moved by: Cr A Livingston
Seconded by: Cr J Hennebry

THAT the minutes of the meeting of the CE Employment and Remuneration Committee held 9 April 2019 be confirmed as a true and correct record.

The motion was put and carried

5.3 Regional Transport Committee

Minutes of the meeting of the Regional Transport committee held 6 May 2019.

Cr Vercoe spoke to the minutes and noted:

- concern around the long term funding assistance rate provided from NZTA. The committee had proposed writing to the minister to see where the programme is going to go, and seeking clarification. The acting CE of NZTA will be coming up to Hamilton and members of the Regional Transport Committee would be present at a local meeting to put questions to the CE at that stage.

- the issue of speed management for local road controlling authorities was discussed. Staff had gone to the territorial authorities with a proposal that the system we have at the moment does not work. If all authorities agreed there needed to be a better way then there would be consideration and investigation of the options for the authorities to transfer authority to a shared service organisation. One option might be the Regional Council or LASS. The committee had proposed that a subgroup including politicians review and consider applications of a model, to ensure sufficient political oversight.

- patronage for the city and for the region was showing an increase of 4.49%. Urban growth was showing as 4.1% and the growth of the Comet services had gone up 33%. Raglan services were up 24.64%. The Huntly service had not been able to increase their service with the use of a double decker bus due to the size of the bus and the rail bridge at Huntly.

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

- the statistics relating to accidents included not driving to the conditions - too fast in adverse conditions, not just the speed limit.
each of the authorities were expecting to seek answers from the meeting with NZTA to clarify what they would do with their funding.

a member noted concern a council endorsing a limitation to speed on state highways and questioned when council would provide input via a submission in to this discussion. Members acknowledged it would be appropriate for the subgroup to continue their investigation and before anything was put in to policy, council would be able to make a submission to the process.

a member noted an investigation that had been undertaken by NZTA with respect to the stretch of road in Atiamuri following a series of crashes around 2015-2016. The member noted that the road surface was recognised as a contributing factor at that time and asked whether council would be expecting to receive the investigation that had been undertaken in 2016. In response the member was advised the chair of the committee was not aware of whether that investigation had been received.

The Minutes attached as Appendix 3 (Doc# 14218501)

WRC19/99
Moved by: Cr H Vercoe
Seconded by: Cr R Rimmington

THAT the minutes of the meeting of the Regional Transport Committee held 6 May 2019 be received.

THAT the decisions made under Section A be noted.

The motion was put and carried

5.4 Strategy & Policy Committee

Minutes of the meeting of the Strategy and Policy Committee held 7 May 2019.

The Minutes attached as Appendix 4 (Doc# 14503033)

WRC19/100
Moved by: Cr B Simcock
Seconded by: Cr T Mahuta

THAT the minutes of the meeting of the Strategy & Policy Committee held 7 May 2019 be confirmed as true and correct.

THAT the decision made under Section A be noted.

The motion was put and carried

5.5 Finance Committee

Minutes of the meeting of the Finance Committee held 8 May 2019.

Cr Vercoe noted:

* the decision to reappoint Mercers was discussed at the committee. They had been advisors to council for some time and the last time council went to the market and completed an analysis at a cost of around $80,000. The committee had felt there was no reason to look at someone else at this time.
The Minutes attached as Appendix 5 (Doc# 14278440)

Cr S Husband left the meeting at 11:27 am.

WRC19/101
Moved by: Cr H Vercoe
Seconded by: Cr B Quayle

1. THAT the minutes of the meeting of the Finance Committee meeting held 8 May 2019 be confirmed as true and accurate.

2. THAT the decisions under Section A be noted.

3. THAT the recommendations under Section B be adopted.

2018/19 Third Quarter Financial Performance and Financial Forecast

a. That the report “Financial performance monitoring and forecast as at 31 March 2019” (Finance Committee 8 May 2019) be received,

b. That the committee recommend to council the approval of the forecast budget adjustments as set out in this report (paragraph 7).

The motion was put and carried

5.6 Environmental and Services Performance Committee

Minutes of the meeting of the Environmental and Services Performance Committee held 9 May 2019.

Cr White spoke to the minutes. During questions, answers and related discussion the following was noted:

- with respect to the report on forestry, a member found it interesting that they had been advised they were able to track sediment flows including cropping maize. They felt that there was more to learn from the negative impact forestry was having and that more rules were required, that the guidelines were not strong enough.

- council was congratulated on the investigation into the effect the use of chemical sprays was having on invertebrates, and council was advised this had been a similar concern for the Environmental Protection Agency.

- the members had received an update where they were advised council was responding to 100% of the complaints in to breaches of compliance, and noted that potentially the concern may be the strength of the response.

- a member noted the report regarding Councils investment in business intelligence and improving the awareness of capabilities in council. They noted their feeling that this would see a significant change in the way the council worked and the way staff deal with the information it has. The business intelligence project was on track and there were good outcomes to be seen.

- a member questioned whether there had been any oversight within the region, on waste minimisation and whether there were any real live applications in that space. Was there an opportunity for the region to be considering waste to energy approach, potentially through the mayoral forum. Members were advised that
there had been interest through the mayoral forum to ensure that the region was proactive in understanding the waste to energy proposals and there was opportunity to work through this through the Upper North Island Strategic Alliance (UNISA) forum. It was a logical approach but it was noted that there was a disconnect between the waste to energy and government policy around circular economy.

The Minutes attached as Appendix 6 (Doc # 14290558).

WRC19/102
Moved by: Cr K White
Seconded by: Cr F Lichtwark

THAT the minutes of the meeting of the Environmental and Services Performance Committee held 9 May 2019 be confirmed as true and correct.

THAT the decisions under Section A be noted.

The motion was put and carried

5.7 Audit and Risk Committee

Minutes of the meeting of the Audit and Risk Committee held 13 May 2019.

Report from the Chair of the Audit and Risk Committee.

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

- members had been advised of concerns from the community where organisations typically had a budget of $10,000 to $20,000 for a hearing process. The cost of the Plan Change 1 hearings for these organisations had been reportedly already over $100,000. The member noted their intention to ask for the full figures relating to the costs of the process to be reported to the next Finance meeting.

- the committee had discussed materiality with Audit New Zealand. The materiality applied to the assets was a figure in the millions and when asked what the figure was, the committee was advised it was not material. When auditing matters of sensitive expenditure there was no leeway, only with the assets.

The Minutes attached as Appendix 7 (Doc # 14285244)

WRC19/103
Moved by: Cr J Hennebry
Seconded by: Cr H Vercoe

1. THAT the minutes of the meeting of the Audit and Risk Committee held 13 May 2019 be received.

2. THAT the report of the Audit and Risk Committee Chair be received.

3. THAT the decisions under Section A be noted.

4. THAT the recommendations under Section B be adopted:

Risk Management Activity Update

a. THAT the updates to the Risk Management Framework as set out in the report Risk Management Activity Update (Audit and Risk Committee 13 May 2019) be
approved, subject to the review of the proposed Waikato Regional Council Risk Management Framework being undertaken by KPMG; and

b. THAT the updates to the Corporate Risks as set out in the report Risk Management Activity Update (Audit and Risk Committee 13 May 2019) be

The motion was put and carried

6. **Hearing Committee Reports in terms of the Resource Management Act 1991.**

Decision reports from independent hearing commissioners for council to receive.

Members were advised that the appeal period for all four of the decisions they were to receive, had closed.

6.1 **Matamata Metal Supplies Ltd**

The matters relating to the QE2 covenant were all before the court and still to be resolved.

WRC19/104  
Moved by: Cr A Livingston  
Seconded by: Cr B Simcock

THAT the decision of the Waikato Regional Council Hearing Committee in respect of the resource consent applications by Matamata Metal Supplies Limited to replace six resource consents and seek one new consent that will authorise the continuation of quarry activities along with a stream diversion and expansion of the quarry area for mineral extraction at a site located at Barton Road, Okauia be noted.

The motion was put and carried

6.2 **Waratah Farms**

WRC19/105  
Moved by: Cr A Livingston  
Seconded by: Cr B Simcock

THAT the decision of the Waikato Regional Council Hearing Committee in respect of the resource consent applications by Waratah Farms Limited to renew existing consents to discharge contaminants to air and to land at Kaipaki Road, Roto-o-rangi be noted.

The motion was put and carried

6.3 **Van den Brink (2844) Limited**

WRC19/106  
Moved by: Cr A Livingston  
Seconded by: Cr B Simcock

THAT the decision of the Waikato District and the Waikato Regional Council Hearing Committee in respect of the resource consent applications by Van Den Brink 2844 Limited to establish and operate a free range broiler poultry farm in a Rural Zone at 2844A State Highway 2, Maramarua be noted.
6.4 Fonterra Te Awamutu

WRC19/107
Moved by: Cr A Livingston
Seconded by: Cr B Simcock

THAT the decision of the Waikato Regional Council Hearing Committee in respect of
the resource consent applications by Fonterra Te Awamutu to:

- to discharge treated dairy manufacturing wastewater, including condensate, cooling water, stormwater and contaminants associated with these discharges to the Mangapiko Stream and associated seepage into land and into groundwater;

- to discharge stormwater and associated contaminants into the Mangapiko Stream, and onto land and into land including in circumstances where it may enter water;

- to operate and maintain discharge structures in, on, under, and over the bed of the Mangapiko Stream; and remove vegetation and debris from the bed of the Mangapiko Stream.

at Alexandra Street, Te Awamutu be noted.

The motion was put and carried

7. Ordinary Business

7.1 Health and Safety Council Report - April 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 the Manager - People and Capability (N Ollington) and
during questions, answers and related discussion the following points were noted:

- the recorded incidents had occurred in work time and did not relate to things that
  may have happened for a staff member on the way to or from work.

- there had been a late night call out involving the fire department to the depot in
  Te Aroha. From this a member had been advised that the list of contacts was
  found to not be up to date and needed to be updated.

WRC19/108
Moved by: Cr B Quayle
Seconded by: Cr B Simcock

That the “Health and Safety Council Report – April 2019” report (Doc# 14211661)
dated 6 May 2019 be received.

The motion was put and carried
7.2 Chief Executive’s submission to the 2019/20 Draft Annual Plan

Report to set out a range of budget amendments requested to be made to the 2019/20 Draft Annual Plan, prior to its adoption and the setting of rates at the June 2019 council meeting.

The report was presented (and accompanied by a powerpoint presentation Doc # 14326520) by the Chief Executive (V Payne) and noted:

- Annual Plan budget has been based on Year Two of the 2018-2028 Long Term Plan.
- LTP projected an increase in rates revenue from current ratepayers of 8.8%. The Draft Annual Plan revised this down to an average increase of 7.8 % consisting of 4.5% all property rates and 11.8 % targeted rates.
- The final budget proposed results in an increase of rates revenue of 7.5 % (4.5% all property rates, 11.2% targeted rates).
- Inflation has been absorbed within many budgets. Provision is made when contractually required.
- Regional growth is projected at 1.8 per cent – based on actual growth achieved last year.
- The proposed budget includes provision for market and performance increases in staff remuneration of 2.5 per cent.
  - Salary provisions are discounted to reflect expected turnover (10% turnover, and a 10 week recruitment gap)

At this point in the presentation Mr Payne highlighted this budget assumption had been discussed and agreed in principle by the CE Employment and Remuneration Committee and the matter had been discussed with Councillors through workshops on the topic to provide the information members had asked for. There were no questions at this time.

The presentation continued:

- Actual rates incurred will be impacted by property revaluations. Five councils have undertaken general revaluations this year.
  - Hauraki District
  - Matamata-Piako District
  - Waitomo District
  - South Waikato District
  - Hamilton City
- The LTP locked in certain funding commitments that are reflected in the proposed rates increase:
  - Spreading catchment rate increases over first 3 years of the LTP
  - Capital contribution to the proposed Waikato Regional Theatre
  - Commencement of the Hamilton to Auckland passenger rail services
- The LTP budget assumption includes the release of council’s contribution of $2.5M (of the $5M) to the Theatre project in 2019/20 financial year. This funding is via external borrowing.
- To repay the borrowing, a targeted rate assessed over a 20 year period is commencing from 1 July 2019 (rating impact equivalent to half a rating year), with full rating impact being recognised in 2020/21 financial year.
- The funding deed for the Theatre will not be signed prior to May 2019 as signalled to council. It is staff recommendation that rating be deferred until 1 July 2020.
With respect to the Rail budget update, members were advised:

- Programme Manager has been working with partner organisations to confirm project deliverables, timelines and costings to meet NZTA pre-implementation requirements.
- Decision to confirm implementation funding is still subject to NZTA Board approval.

Rail Governance Group has recommended:

- The provisional start date be retained at April 2020, as per the Council report. KiwiRail will confirm with a greater degree of certainty the rolling stock programme completion date by August 2019.
- Implementation Marketing budget be increased from $90k to $160k
- Our supplier has advised that preferred Ticketing solution CAPEX costs increased from $300k to $563k max. (funded NZTA 75.5% and WRC share from reserves), subject to agreement of functionality and negotiation
- Increased ticketing system depreciation costs will be partially offset by reduced OPEX costs

Mr Garrett noted the $26,000 increase the rail rate requirement was offset by a $46,000 cost saving due to revised timing of the new ticketing system implementation and the staff recommendation was to reduce the reserve transfer noted in paragraph 66 from $178,000 to $158,000.

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

- the public transport ticketing system was an interim solution that would provide the region with an option and time to move to the proposed national system in around five years’ time. Greater Wellington Regional Council were leading the project to consider the national solution. The interim solution would work across buses and the train and allow for passengers to "tag on and tag off" with one card.

- a member noted frustration that Kiwirail were unable to provide a definitive time for the commencement of the project as they were unable to control the purchase and delivery of the bogeys from the firm overseas where they were being made. The project was working within the operating budget. The key issue for safety was the springs within the bogeys, and there was only one supplier meeting the order.

- a member noted concern over the rail project set up costs, in particular the operational expenditure, the change from the draft plan to the submission is that project management has moved from an external function to an internal function and the implementation of a marketing plan. The member noted interest in seeing that marketing plan. The perception is that moving the project management from an external function to an internal one is that there has not been any actual saving. In response members were advised that was correct there was no net saving, but there had been a review of the resources available to deliver on what needed to be done to ensure implementation was successful.
members noted the update of one word within the performance measure in order to reflect the agreement council have with Maritime NZ. The reasons and the exact change were highlighted for members in paragraphs 70 to 74 of the report, on page 173 of the agenda.

A member noted concern over the original draft plan talking about a 1.6% budget for the salary and wages and through meetings members had been advised that a further 0.9% increase was appropriate and the budget was proposed to be increased to 2.5%. Members noted his appreciation for the workshops and further information supplied to members to provide the statistics and evidence behind the recommended increase. The member foreshadowed their support for the whole of the CE submission and by way of amendment, with the exception of the salary increase and proposed that the increase be capped at 2% (increase of 0.4%, instead of 1.9%). The noted that inflation sat at 2% and the public sector movement was shown at 2%, and with the money and that was being put in to improving systems and the environment for staff, had been a significant investment for staff.

In response Mr Payne noted he appreciated the discussions with councillors on staff remuneration on recent occasions. We are in a competitive employment market with Waikato being in the lowest for unemployment. Market data shows lagging market by 3% so have some catch up to do. The longer we leave that catch up the more expensive it will be for future councils. It was advisable to budget at 2.5%.

In 2014 Council was in the middle of the Fit for Purpose review for the organisation and at the same time the remuneration system was not fit for purpose. A correction was made to the remuneration system to address disparities to the market data and staff salaries and moved to a performance based system. Through the workshop councillors received information for understanding the process that was undertaken in terms of the size of jobs, and the process that was undertaken to reward the staff carrying out that role.

Since 2014 on an annual basis, the market data is considered and council has budgeted below the advised rates. The results of this could be summarised as:

- The market data at the moment shows that the average council salary is below the market average for similar roles. There has been a 5% drop in the average council salary relative to the market over those five years. If we were around 103% of the market in 2014 we are now at around 98%. The average council salary has increased by less than 1% per annum over the last five years
- Another result of the over correction is clear through the exit interviews where one of the three top reasons for leaving is remuneration. It is costly to recruit, on-board new staff if there was a risk that council would lose that investment. Most people leaving the organisation are in fact those staff being paid less than the market mid point.
- The last result of the correction has been that increasingly we would need to employ new staff on a higher starting salary and over the last 18 months that starting point has increased by 5% which highlights the hot labour market that we are in and will result in increasing disparities between new staff and existing staff. If we don’t have sufficient budget to reward existing staff there will be increasing inequities in this area.

The staff recommendations were moved and seconded, opening the discussion to matters for and against the motion.
Members speaking for the motion noted that six years ago the pay rates had been high compared to the sector that had led to unhealthy consequences for the organisation. Related to that councillors had sought change and the CE had delivered on these changes. The present recommendation had been questioned and challenged thoroughly, and would not see council returning to the position of leading the market.

Members speaking against the motion noted that while council did go through a fit for purpose exercise, council was paying fair wages, and staff were on at least the living wage. There was more prioritisation that needed to happen with regard to work as the rates were too high for the community. Council had committed to spending on new accommodation and information systems, making council an attractive place to work. There was an expectation that council should be satisfied with what they had. The increase in the number of staff had worked against council over the years and there was a preferred view to look at where staff could be moved around rather than increasing staff numbers or wages.

*Cr Quayle moved/Cr White seconded*

**Amendment**

*That the remuneration budget that is included in the annual plan be limited to 2%.*

Members then spoke for and against the amendment.

Those speaking for the amendment noted that it was still a fair figure and council had a need to be cautious and prudent.

Those speaking against the amendment noted that the rating increase had already been cut back with work from the executive from 7.8% to 7.5% and the figures showing that council was paying under the sector was not to be taken lightly. There would be an impact on the morale as well as the level of service within council. It was better to increase rates across the board, slowly and regularly rather than to jump at a later stage. Council had been critical of expenditure and also needed to be a good employer. While staff were well remunerated this had been corrected over the last three years and council was now in a position where it was almost an over correction. Members could take cognisance and appreciation of the detailed presentations supported by the input of consultants. Concern was raised that members had noted numbers of staff and members were reminded that council had also required increased levels of service to meet the expectations of ratepayers and governors.

By way of his right of reply Cr Quayle noted he was not looking for a reduction in staff or levels of service and his intent behind the lower figure of 2% instead related to the fact that council had addressed two of the three main concerns for staff, being systems and environment. Council had committed to significant funding towards business improvements and to the new building. The figure was felt to be more in line with headline inflation and movements within the public sector. He noted he was in support of staff and the use of the budget for performance pay.

The Chair moved the staff recommendations separately to allow for council to address the amendment separately recommendation three.

The amendment was put.
WRC19/109  
Moved by: Cr T Mahuta  
Seconded by: Cr S Kneebone  

1. THAT the report “Chief Executive’s submission to the 2019/20 Draft Annual Plan (Doc #14173083 dated 30 April 2019) be received, and

2. THAT the council approves the update to the performance measure for the Maritime services activity as outlined in this report.

The motion was put and carried

Amendment:  
Moved by: Cr B Quayle  
Seconded by: Cr K White  

THAT the remuneration budget that is included in the annual plan be limited to 2%

The motion was put and lost on a show of hands

On putting the motion a division was called and the results were:

For: Crs Hennebry, Lichtwark, Quayle, Rimmington and White.

Against: Crs Kneebone, Livingston, Mahuta, Minogue, Simcock and Vercoe.

WRC19/110  
Moved by: Cr T Mahuta  
Seconded by: Cr S Kneebone  

3. THAT the council approves the changes as set out in this report for inclusion in the 2019/20 Annual Plan, noting that as a result of these changes the projected increase in rates revenue from current ratepayers is 7.5 per cent (being 4.5 per cent in all property rates and 11.2 per cent in targeted rates).

The motion was put and carried

On putting the motion the following councillors recorded their vote against:

Crs Hennebry, Lichtwark, Rimmington and White.

Before an adjournment Cr Livingston announced his intention not to run for election in the upcoming 2019 Local Government elections. He noted his thanks to the members for their support during his term as Chairman and that he had enjoyed working with a cohesive council this triennium.

The meeting adjourned for lunch at 12.52pm, and reconvened at 1.31pm.

7.3 2019/20 Annual Plan Draft Non Financial Text  
Report to provide council with draft non-financial text for the 2019/20 Annual Plan document for review and feedback.
The Corporate Planning Manager (N Hubbard) presented the report and during questions, answers and related discussion the following was noted:

- members noted concern with the opening statement of the Chair and CE’s message and proposed rewriting of the statement to reflect “without the need to publicly consult.”

- with reference to page 184 of the agenda, a member noted their interest in being clear about council working with the crown with regard to appropriate contributions to support the ongoing work required for treaty settlements.

- the section on regional rail should mention the figure of $58 million, and indicate that this is a conduit and catalyst for expansion within the region.

- a member noted it may be opportune to highlight the actions council was taking with climate change and show that we were front footing the problem.

- a member proposed including the journey council had taken to improve data and systems and the business intelligence of the council with a view to enhancement of the business.

- with reference to page 180 of the agenda a member noted the statement around positive influence for future land use capability. They proposed a sentence or two to acknowledge the good work being done by others as well, such as the Hill Country Erosion Fund works.

WRC19/111
Moved by: Cr A Livingston
Seconded by: Cr F Lichtwark

THAT the report 2019/20 Annual Plan draft non-financial text (Doc #14216878 dated 7 May 2019) subject to the proposed additions and alterations and following confirmation by the Chair and CE be approved.

The motion was put and carried

7.4 Stock Truck Effluent Site Facilities Ownership

Report to seek approval from council for new stock truck effluent (STE) disposal facilities in the Waikato region to be owned and operated by the Waikato Regional Council (WRC).

The report was presented by the Director Community and Services (N Williams) and during questions, answers and related discussion the following was noted:

- there was concern that this approach may provide a precedent for other areas of the business.

- the pushback on the establishment of the stock truck effluent sites has come from the local councils and members noted that the proposed approach had identified an appropriate solution for the sites going forward.

- the matter of the number of sites could be revisited by council with the review of the Long Term Plan.
• under the proposed ownership model the level of decision making input that the territorial authority would have was diminished, and decisions relied on NZTA and council.

• the issues identified by the authorities for the sites in question was for Waitomo, they don’t like the site location and had concerns around future ownership of the infrastructure. Matamata Piako District Council and Taupo District Council had indicated concerns over the ownership and the maintenance problems.

• properties over 2ha have a targeted rate levied on them for the purposes of funding stock truck effluent. It was suggested that council could look at how the targeted rate was apportioned with a view to looking at that to focus the costs back on those that are responsible for them.

WRC19/112
Moved by: Cr H Vercoe
Seconded by: Cr S Kneebone

1. That the report ‘Stock Truck Effluent Site Facilities Ownership’ (Doc #14259487 dated 13 May 2019) be received, and

2. That council approve option 2 (WRC ownership and operation of stock truck effluent disposal facilities) to enable the timely progress of the stock truck effluent programme.

The motion was put and carried
Cr Lichtwark voted against the motion.

7.5 Request from Hamilton City Council for financial contribution

Report to seek council direction on the request from Hamilton City Council (HCC) for a financial contribution towards the engagement of a Queens Counsel.

The report was presented by the Director Community and Services (N Williams).

Crs Simcock and Quayle moved the motion with the recommendation being that council did not take a position or provide a letter of support.

In speaking to the motion it was noted for members that Hamilton City Council had managed with policies to suppress pokie machines from establishments around the city and not the casino as that was regulated by legislation. Council was being asked without evidence or other information to take a side. Members noted their agreement and the concern that would be raised in their communities if the council was to put money in to gambling advocacy which was nothing to do with council business. Pokie machines were a concern in the community and not just within the casino.

Speaking against the motion a member noted that the casino and pokie machines had bought nothing but heartache to the region. To increase pokie machines was not in the best interests of the region.

Cr Hennebry out of the meeting at 2.11pm.
WRC19/113
Moved by: Cr B Simcock
Seconded by: Cr B Quayle

1. THAT the report “Request from Hamilton City Council for financial contribution” (Doc #14205019 dated 3 May 2019) be received, and

2. THAT council declines to make a contribution and remains neutral in this matter.

The motion was put and carried

Cr Rimmington voted against the motion.
7.6 Candidate order on voting papers

Report to provide council with the information required to make a decision with regard to the order of candidates’ names on voting documents for the 2019 local authority elections.

Taking the report as read, Cr Rimmington moved for the candidate order to be alphabetical.

The motion lapsed for want of a seconder.

Cr Minogue moved for the candidate order to be fully random, and the motion was seconded by Cr Mahuta.

Members speaking for the motion noted that the candidate booklet would continue to be printed in alphabetical order for the information of the voters.

A member asked whether the cost of printing the voting papers would be different between the options. In response it was clarified for members that paragraph 10 of the report had clarified that the cost was neutral and would be the same for any of the three options.

Cr Hennebry returned to the meeting at 2.19pm.

WRC19/114
Moved by: Cr D Minogue
Seconded by: Cr T Mahuta

1. THAT the report Order of candidate names on voting documents (Council 30 May 2019) be received.

2. THAT pursuant to section 31 of the Local Electoral Regulations 2001, council resolves that the names of the candidates for Waikato Regional Council 2019 local authority election voting documents shall be in fully random order.

The motion was put and carried

Cr Rimmington voted against the motion.

7.7 Appointment of Alternate Regional On-Scene Commander

Report to seek approval of Adrian John Heays (currently a Regional On-Scene Commander (ROSC) for Bay of Plenty Regional Council) as an Alternate ROSC for Waikato Regional Council’s marine oil spill response function.

The report was taken as read and there was no discussion or questions on the matter.

WRC19/115
Moved by: Cr H Vercoe
Seconded by: Cr S Kneebone

1. That the report “Appointment of Alternate Regional On-Scene Commander” (Doc #14292058 dated 17 May 2019) be received, and
2. That Adrian John Heays (ROSC – Bay of Plenty Regional Council), be appointed as Alternate Regional On-Scene Commander for the Waikato Region under section 318 (1) (b) of the Maritime Transport Act 1994.

The motion was put and carried

8. Resolutions to Exclude the Public

WRC19/116
Moved by: Cr B Simcock
Seconded by: Cr F Lichtwark

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:

Item Names:

Council Meeting – 30 April
CE Employment and Remuneration Committee – 9 April
Strategy & Policy – 7 May
Finance – 8 May
Environmental and Services Performance Committee – 9 May
Audit & Risk Committee – 13 May

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:

- 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 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)) would disclose a trade secret; or
- 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 -
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))

- 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))

The motion was put and carried

The meeting returned to open session at 2.25pm.

The meeting closed at 2.25pm.

_________________________
Chair
Waikato Regional Council
Waikato Raupatu River Trust and Waikato Regional Council
Co-Governance Committee
OPEN MINUTES

Date: Friday, 5 April, 2019, 10:00 am
Location: Hiinau Boardroom
Waikato Tainui Offices
2 Bryce Street
Hamilton

Members Present: R Schaafhausen – Co-Chair (Trustee, Waikato Rautapu River Trust)
Cr T Mahuta – Deputy Co-Chair (Councillor, Waikato Regional Council)
H Rau (Trustee, Waikato Rautapu River Trust)
J Colliar (Trustee, Waikato Rautapu River Trust)
D Turner (Trustee, Waikato Rautapu River Trust)
Cr J Hayman (Councillor, Waikato Regional Council)
Cr F Lichtwark (Councillor, Waikato Regional Council)

Others present: N Williams (Director, Community and Services)
T Quickfall (Manager, Policy, Strategy and Policy)
M Graham (Senior Policy Advisor, Science and Strategy)
M Carey (Kaiwhakarite, Tai Ranga Whenua)
B McAuliffe (Team Leader, Waiter Policy, Science and Strategy)
Marae Tukere (Waikato Tainui)
Taro Rawiri (Waikato Tainui)
G Dawson (Democracy Advisor, Waikato Regional Council)
1. **Introductions and Opening Karakia**

The meeting was opened with a mihi and karakia.

2. **Call for Order and Apologies**

The meeting was opened the meeting at 10.04am.

Apologies were received from Trustee D Turner and Cr J Hayman for lateness, and Cr Alan Livingston for absence.

**WTCG19/01**

*Moved by:* Trustee H Rau  
*Seconded by:* Cr F Lichtwark

**SECTION A: UNDER DELEGATION AND FOR THE INFORMATION OF COUNCIL**

**RESOLVED**

THAT the apologies Trustee D Turner and Cr J Hayman for lateness, and Cr Alan Livingston for absence, be accepted.

The motion was put and carried

3. **Confirmation of Agenda**

The agenda was accepted and confirmed as presented.

**WTCG19/02**

*Moved by:* Cr T Mahuta  
*Seconded by:* Cr F Lichtwark

**RESOLVED**

THAT the agenda of the meeting of the Waikato Raupatu River Trust and Waikato Regional Council of 5 April 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.
Cr J Hayman entered the meeting at 10.10am.

5. Confirmation of Minutes from the Previous Meeting

The minutes of the previous meeting were confirmed with the following amendments:

- Insert comment under Agenda Item 6 as follows:

  It was emphasised that there was a need for greater clarity on what criteria make up the monitoring standards, and a need for increased monitoring of the health of the Waikato River.

WTCG19/03

Moved by: Cr F Lichtwark
Seconded by: Trustee R Schaafhausen

RESOLVED

THAT the minutes from the Waikato Raupatu River Trust and Waikato Regional Council Co-Governance Committee meeting dated 7 December 2018 be accepted as a true and accurate record, with the following amendment: insert comment under Agenda Item 6 –

It was emphasised that there was a need for greater clarity on what criteria make up the monitoring standards, and a need for an increased monitoring of the health of the Waikato River.

The motion was put and carried

6. Contact Energy Incident

Report to update the Committee on the incident involving Contact Energy and the spill of materials into the Waikato River on 19 February 2019. The verbal report was presented by the Kaiwhakarite, Tai Ranga Whenua (M Carey).

The following matters were raised:

- The background to the incident was described and discussed.
- It was noted that the matter was still under investigation and no further comment was able to be made. A report would follow, once due process had taken place.

WTCG19/04

Moved by: Cr F Lichtwark
Seconded by: Trustee J Colliar

RESOLVED

THAT the verbal report ‘Update on Contact Energy Pond Spill’ (Waikato Raupatu River Trust and Waikato Regional Council Co-Governance Committee 5 April 2019) be received.
Trustee D Turner entered the meeting at 10.50am.

7. **Strategic Work Programme**

Report to provide the Committee with an update on the progress of the Waikato-Tainui / Waikato Regional Council strategic work programme, and to seek endorsement of the approach and prioritised initiatives. The discussion was facilitated by Cr T Mahuta.

The following matters were discussed:

- The governance and management work programme was discussed. It was noted that the programme was generally underway and dates could now be allocated to the various aspects of the work programme.
- The Committee agreed that content and phasing of the Plan as presented was suitable to move to the next stage of implementation.
- The involvement of Waikato-Tainui Representatives on Council catchment committees was discussed. It was noted that both the catchment committees and Waikato-Tainui could benefit from working together in those settings.
- Discussion on benefits of Waikato Tainui presenting clear position on matters that impact on them. This will assist Council to better plan and anticipate the needs of Waikato-Tainui.
- Waikato-Tainui has adopted a process for appointments for it’s representatives on various fora in the rohe. This process will be adopted for the next round of appointments to catchment committees.
- The important role that Waikato-Tainui appointed Hearings Commissioners have in the hearing process was discussed.
- The role of Waikato-Tainui in developing the resilience of the Waikato region was discussed. It was noted that the areas of involvement were wide ranging, and important in the areas of Civil Defence and Emergency Management due to the role of Marae throughout the region.

**Action:** Democracy Advisor to provide Waikato-Tainui with 2019 dates of all catchment committees and drainage advisory subcommittees

**WTCG19/05**

**Moved by:** Trustee R Schaafhausen  
**Seconded by:** Cr F Lichtwark

**RESOLVED**

1. THAT the report ‘Waikato-Tainui / Waikato Regional Council strategic work programme planning’ (Waikato Raupatu River Trust and Waikato Regional Council Co-Governance Committee, 5 April 2019) be received.
2. THAT the Waikato Raupatu River Trust and Waikato Regional Council Co-Governance Committee endorse the draft strategic work programme.

The motion was put and carried

8. Joint Management Agreement Obligations and Implementation Plan

Report to provide the Committee with information on the draft template progress report of the Joint Management Agreement between Waikato Regional Council and the Waikato Raupatu River Trust. The report was presented by the Director, Community and Services (N Williams).

The following matters were raised:

- It was noted that there is a need to ensure that both parties were working and communicating together in a meaningful and efficient manner.
- The need to have an holistic model that was fit for purpose for the Waikato region was emphasised. The wellbeing model used by the current Government and the Treasury was described and discussed.

WTCG19/06

Moved by: Trustee H Rau
Seconded by: Cr J Hayman

RESOLVED

1. THAT the report ‘Joint Management Agreement Obligations Implementation report’ be received for information (Waikato Raupatu River Trust and Waikato Regional Council Co-Governance Committee 5 April 2019) be received.

2. THAT the Waikato Raupatu River Trust and Waikato Regional Council Co-Governance Committee adopt the draft template.

The motion was put and carried

9. 2019 Local Government Elections

Report to provide the Committee with an overview of the 2019 local authority elections for Waikato Regional Council. This report was presented by the Director, Community and Services (N Williams).

The following matters were raised:

- Voter turnout and demographics from previous local body elections was described and discussed.
• It was noted that there was a need to ensure that all eligible voters were encouraged to vote and understand the process.
• Voting methods, and the General and Māori electoral rolls were described and discussed.
• The importance of encouraging candidates to stand was emphasised.

**WTCG19/07**

**Moved by:** Cr F Lichtwark  
**Seconded by:** Trustee J Colliar

**RESOLVED**

THAT the report ‘Overview of the 2019 local authority elections for Waikato Regional Council’ (Waikato Raupatu River Trust and Waikato Regional Council Co-Governance Committee 5 April 2019) be received.

The motion was put and carried

10. **Regional Plan Change**

A verbal update to provide the Committee with information on the progress on the Regional Plan Change. This was presented by the Senior Policy Advisor (M Graham).

The following matters were raised:

• The background to the reasons for the Committee structure and related issues was described and discussed.
• The Council advised the Committee that it had appointed it is representatives.
• The need to avoid consultation fatigue was emphasised. It was noted that any consultation needed to be co-ordinated and conducted in the most efficient manner possible.
• The need to have the Committee involved in the consultation process was discussed. It was noted that the Committee would be able to provide another useful perspective on a range of issues that impacted on it, along with promoting the intent of the Treaty Settlement.
• The need for a dispute resolution process that was tikanga based was emphasised.

**WTCG19/08**

**Moved by:** Trustee R Schaafhausen  
**Seconded by:** Cr T Mahuta

**RESOLVED**

THAT the verbal report ‘Update on Healthy Environments’ (Waikato Raupatu River Trust and Waikato Regional Council Co-Governance Committee 5 April 2019) be received.
11. **Healthy Rivers Wai Ora Update**

Report to update the Committee on the progress of Waikato Proposed Plan Change One: Waikato and Waipā River Catchments. The report was presented by the Team Leader, Water Policy (B McAuliffe).

The following matters were discussed:

- The Committee was advised that the proceedings were running to schedule and still ongoing.
- Access to the reports and other hearing information was described and discussed. It was noted that these could be accessed through the Council’s public website.

**WTCG19/09**

Moved by: Trustee H Rau  
Seconded by: Trustee J Colliar

**THAT** the report ‘Update on Healthy Rivers Plan Change 1 Schedule 1 process’ (Waikato Raupatu River Trust and Waikato Regional Council Co-Governance Committee, 5 April 2019) be received.

The motion was put and carried

12. **Review of the Vision and Strategy of the Joint Management Agreement**

Verbal discussion to update the Committee on the reporting criteria in relation to the Vision and Strategy of the Joint Management Agreement between the Council and Waikato-Tainui. This discussion was facilitated by the Cr Tipa Mahuta.

The following matters were raised:

- The Committee was advised that the Council would assist Waikato-Tainui with the reporting standards and framework that apply to the settlement legislation.
- **Action point:** the Council to provide information on how progress to date is reported.

**WTCG19/10**

Moved by: Cr T Mahuta  
Seconded by: Trustee J Colliar

**RESOLVED**

**THAT** the verbal report and discussion on the Review of the Vision and Strategy of the Waikato Tainui River Settlement be received.
The motion was put and carried

The meeting closed at 12.05pm with a karakia.
Waikato Regional Council
CE Employment and Remuneration Committee

OPEN MINUTES

Date: Tuesday, 9 April, 2019, 9:00 am
Location: Council Chamber
Waikato Regional Council
401 Grey Street
Hamilton East

Members Present: Cr A Livingston - Chairman
Cr T Mahuta - Deputy Chairperson
Cr R Simcock
Cr J Hennebry
Cr H Vercoe
P Loof - HR Consultant - P Loof Consulting

In Attendance: Cr B Quayle

Staff Present: V Payne - Chief Executive Officer
J Cox - Team Leader Democracy Services
Cr B Quayle
2. **Apologies**

The meeting opened at 9.48am, by agreement of all the members present.

There were no apologies for the meeting.

3. **Confirmation of Agenda**

The Chair accepted the agenda as presented.

**CEERC19/09**

Moved by: Cr A Livingston  
Seconded by: Cr R Simcock  

**RESOLVED (SECTION A)**

THAT the agenda of the meeting of the CE Employment and Remuneration Committee of 9 April 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.

5. **Public Excluded Section**

**CEERC19/10**

Moved by: Cr A Livingston  
Seconded by: Cr R Simcock  

Resolution to Exclude the Public  

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:

Item Names:

- 2018/19 CE KPI results as at 21 March 2019
- CE Key Performance Indicators for 2019/20
- Succession/Key Role Continuity Planning
- Remuneration Budget 2019
- Discussion on Full Time Equivalent Roles
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:

- Protect the privacy of natural persons, including that of deceased natural persons (Section 7(2)(a))

THAT Paul Loof - Loof Consulting be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the CE Performance. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because his role as advisor to Council.

The motion was put and carried

The meeting returned to open section at 12.12pm.

The meeting closed at 12.12pm.
Waikato Regional Council
Regional Transport Committee
OPEN MINUTES

Date: Monday, 6 May, 2019, 9:30 am
Location: Council Chamber
Waikato Regional Council
401 Grey Street
Hamilton East

Members Present: Cr H Vercoe (Chair - Waikato Regional Council)
Cr R Rimmington (Deputy Chair - Waikato Regional Council)
Cr D Macpherson (Hamilton City Council)
Cr T Adams (Hauraki District Council)
Cr J Thomas (Alt. Matamata-Piako District Council)
Mayor Baxter (Otorohanga District Council)
Cr B Machen (South Waikato District Council)
Cr A Park (Taupo 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 l’Anson (New Zealand Transport Agency)
Inspector M Lynam (Waikato Police)

Staff Present: M Tamura (Manager - Integration and Infrastructure)
N King (Team Leader - Transport and Infrastructure)
B McMaster (Special Projects Advisor – Integration and Infrastructure)
G Dawson (Democracy Advisor)
1. **Apologies**

   Apologies were received from Mayor Barnes and Mayor Goudie.

   **RTC19/21**

   **Moved by:** Cr Vercoe  
   **Seconded by:** Cr Adams

   THAT the apologies of Mayor Barnes and Mayor Goudie be accepted.

   The motion was put and carried

2. **Confirmation of Agenda**

   **RTC19/22**

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

   THAT the agenda of the meeting of the Regional Transport Committee of 6 May 2019, be confirmed as the business for the meeting, with the removal of item 6 Government Policy Statement - Ministry of Transport.

   The motion was put and carried

3. **Disclosures of Interest**

   There were no disclosures of interest.

4. **Confirmation of Minutes**

   The minutes were confirmed without amendments.

   **RTC19/25**

   **Moved by:** Cr Webber  
   **Seconded by:** Cr Fulton

   THAT the minutes of the Regional Transport Committee, dated 1 April 2019, be confirmed as a true and accurate record.

   The motion was put and carried

5. **New Zealand Transport Agency Report**

   Report to provide the Committee with the New Zealand Transport Agency’s Quarterly Report to 6 May 2019.

   The report was presented by the New Zealand Transport Agency Representative (R I’Anson).
The following matters were raised:

- That there were ten projects that were in the business design phase prior to the end of the last election and change in government, which will follow the initial agreed timeframes.
- The need to improve the quality of roads in the region was emphasised and viewed as an effective way to reduce the road toll and associated injuries.
- The New Zealand Transport Agency stated that it took the matter seriously and was in the process of the development of a working through a plan to address the matter.
- Factors that lead to road accidents were described and discussed.
- It was emphasised that road safety was a region wide matter and must be managed with a region wide approach.
- The need for a secure and durable approach to funding safety improvements was emphasised.
- The need for a political solution and pressure was discussed. The committee requested that a letter be drafted to the Minister for Transport which deep concern over the delay and lack of clarity on the funding of road infrastructure throughout the Waikato region. A motion was put and carried to that effect.
- The New Zealand Transport Agency advised the Committee that they would advise local government of the type and value of funding they would be entitled to in due course.

**RTC19/23**

**Moved by:** Cr Macpherson  
**Seconded by:** Cr Adams

**THAT** the Regional Transport Committee write a letter to the Minister for Transport to express deep concern regarding the delay in funding and low levels of clarity on the available funding required to plan and complete road infrastructure and other safety projects in the Waikato region. Also that a media release be drafted and released by the Council.

The motion was put and carried

**RTC19/24**

**Moved by:** Cr Macpherson  
**Seconded by:** Cr Adams

**THAT** the report ‘New Zealand Transport Agency – Quarterly Report’ (Regional Transport Committee 6 May 2019) be received.

The motion was put and carried
6. **Road Safety Monitor Report**

Report to update the Committee on road safety issues and trends on regional progress towards the actions outlined in national and regional road safety strategies.

The report was presented by the Team Leader, Transport and Infrastructure (N King), the New Zealand Police Waikato Road Policing Manager (M Lynam), and the Projects Education Advisor (J Davis).

The following matters were raised:

- The motorcycle driver education programme was discussed. It was noted that the programme has had good uptake and been successful in reducing crash statistics.
- Child restraint checks and education was discussed. It was noted that it would benefit the Waikato region very much.
- Heavy transport traffic training education described and discussed.
- Ruben the Bear was discussed and the related story books and other resources that go with the participants.
- Road fatalities in the Waikato region to date, along with contributing factors and circumstances were described and discussed.
- It was noted that the crashes and incidents dis require a lot of public spend for hospitals and other support services.
- It was noted that there is a deep focus on road safety and trying to change negative road user behaviours by the New Zealand Police.
- Approaches to speed enforcement was described and discussed.
- Safety ratings of cars in relation to accidents was discussed.

**RTC19/26**

*Moved by: Cr Park*

*Seconded by: Mayor Baxter*

**THAT** the report ‘Regional Road Safety Monitor Report – May 2019’ (Regional Transport Committee 6 May 2019) be received.

*The motion was put and carried*

7. **Regional Speed Management Approach Update**

Report to provide the Committee with an update on regional speed management and seek the Committee’s endorsement of draft regional speed management policies and preferred institutional arrangements for regional speed management.
The report was presented by the consultants from WSP Opus (R Speers), Morrison Low (T McGregor), New Zealand Transport Agency (J Stewart), Special Project Advisor (B McMaster), and the Senior Policy Advisor (M Alderton).

The following matters were raised:

- The approach and methodology of speed reductions to around schools and other places of high public use was discussed. It was noted that a variable speed zone around schools was the best option which depended on whether a school was in session or on holiday.
- The need to have the speed management approach aligned with other related legislation, regulation, strategies, and plans from across local and central government was emphasised.
- Road design and safe speeds was described and discussed.
- The service delivery and governance models was described and discussed. The need for a streamlined and consistent approach to speed management approach was emphasised. However, it was noted that there is a need to consider the circumstances of each council involved.

RTC19/27

Moved by: Cr Park
Seconded by: Cr Macpherson

1.
That the report ‘Regional Speed Management Update’ (Regional Transport Committee 6 May 2019) be received.

2.
That the Committee receives the report ‘Regional Speed Management – Institutional Arrangement Options’ (Attachment 2).

3.
That the Committee endorses the draft regional principles and policies for discussion and feedback from the ten territorial authorities in the region and key stakeholders (Attachment 1).

4.
That the Committee endorses preferred options for speed management institutional arrangements for discussion and feedback from the territorial authorities in the region and the New Zealand Transport Agency.

5.
That the Committee note that the speed management project team will hold a series of roadshows with the territorial authorities in May and June 2019. 6.
That the Committee nominate a reference group of no less than three of its members, including the Chair, to provide a sounding-board for the speed management project team as they develop the draft Regional Speed
Management Plan following engagement with territorial authorities and key stakeholders - Hamilton City Council, Waikato District Council, Hauraki District Council.

7. That the Committee notes that the draft Regional Speed Management Plan and recommended institutional arrangement will be brought to the 1 July 2019 meeting for endorsement.

8. That the Committee approves the RTC submission on the Hamilton Speed Management Plan (Doc # 14097614) for lodging with Hamilton City Council by 8 May 2019.

The motion was put and carried.

8. **Variations to the 2018 Update to the Waikato Regional Land Transport Plan 2015-2045**

Report to the Committee to consider and approve a request from the New Zealand Transport Agency to vary the operative 2018 Update to the Waikato Regional Land Transport Plan 2015–2045.

The report was presented the Team Leader, Transport and Infrastructure (N King).

The following matters were raised:

- It was noted that the variations and plans included in the paper outlined the changes and invited questions.
- Design matters of the cycleway near the Burger King in Silverdale and other parts of the cycleway was described and discussed.
- The need for open consultation on projects throughout the region was emphasised.

**RTC19/28**

*Moved by: Cr Adams*
*Seconded by: Cr Christie*

THAT the report ‘Variations to the 2018 Update to the Waikato Regional Land Transport Plan 2015-2045’ (Regional Transport Committee 6 May 2019) be received

The motion was put and carried.

9. **Regional Public Transport Update**

Report to provide the Committee with an update on the implementation of the Waikato Regional Public Transport Plan 2018-28 and key regional public transport projects.

The report was presented by the Special Project Manager (M Garret) and the Senior Policy Advisor (V Kuo).

The following matters were raised:
• The impact around the region that the reforms to the work contract conditions for bus drivers was discussed, such as any changes to bus timetables and service level changes.

• It was noted that the work on the passenger rail project was ongoing with New Zealand Transport Agency.

RTC19/29

Moved by: Cr Park
Seconded by: Cr Webber

THAT the report “Regional Public Transport Projects Update” (Regional Transport Committee 6 May 2019) be received.

The motion was put and carried

10. **Waikato Stock Truck Effluent Disposal Programme**

Report to provide the committee with information on the progress towards the implementation of new stock truck effluent facilities in the Waikato Region.

The report was presented by the Team Leader, Education (A Satterfield).

The following matters were raised:

• The ownership model of the scheme was discussed. It was noted that there was need for careful consideration of the impacts that the status quo model may have on ratepayers such as depreciation, and ongoing funding and maintenance.

• It was noted that there is current investigations into the impacts that governance and funding may have. This will come back to the committee once more is known.

RTC19/30

Moved by: Cr Rimmington
Seconded by: Cr Macpherson

THAT the report ‘Waikato Stock Truck Effluent Disposal Programme’ (Regional Transport Committee 6 May 2019) be received

The motion was put and carried

11. **Transport Projects and Planning Report**

Report to provide the Committee with an update on current regional transport plans and projects as at 14 April 2019. The report was presented by the Team Leader Transport and Infrastructure (N King).

There were no matters raised.
RTC19/31

Moved by: Cr Webber  
Seconded by: Cr Fulton  

THAT the report ‘Transport Planning and Projects Report – May 2019’ (Regional Transport 6 April 2019) be received.

The motion was put and carried

12. Submission on Matamata-Piako District Council Transport By-law Change

Report to update the Committee on Matamata-Piako District Council’s Statement of Proposal ‘Shared Pathways’ Land Transport Bylaw, and to seek approval of a submission in support of the proposed by-law.

The report was presented by the Team Leader Transport and Infrastructure (N King).

There were no matters raised.

RTC19/32

Moved by: Cr Thomas  
Seconded by: Cr Adams  

THAT the report ‘Submission on Matamata-Piako District Council Transport by-law change’ (Regional Transport Committee 6 May 2019) be received

The motion was put and carried

13. Regional Transport Issues Forum

Report to provide the Committee with an opportunity to raise and discuss regionally significant transport issues.

The report was presented by the Team Leader Transport and Infrastructure (N King).

The following matters were raised:

- That there was a need for more regular and timely communication between all council’s in the Waikato region and the New Zealand Transport Agency.

- The dangers that cars left or abandoned on the side of roads was discussed. It was noted that there was a need for improved clarity around the mechanisms that could be used to remove them, and how they could be improved.

- The proposed temporary roundabout at the intersection of SH26 and Avenue Rd in Morrinsville was discussed.
RTC19/33

Moved by: Cr Vercoe
Seconded by: Mayor Hanna

THAT the report Regional Transport Issues Forum (Regional Transport Committee 6 April 2019) be received.

The motion was put and carried

The meeting closed at 12.22pm.
Waikato Regional Council
Strategy and Policy Committee

OPEN MINUTES

Date: Tuesday, 7 May, 2019, 10:00 am
Location: Council Chamber
Waikato Regional Council
401 Grey Street, Hamilton East

Members Present:
- Cr B Simcock - Chair
- Cr J Hennebry
- Cr F Lichtwark
- Cr A Livingston
- Cr D Minogue
- Cr S Kneebone
- Cr B Quayle
- Cr R Rimmington
- Cr K White

Staff Present:
- V Payne - Chief Executive
- T May - Director - Science and Strategy
- S McLeay - Democracy Advisor
1. **Call to Order and Apologies**

The meeting commenced at 10.03am. Apologies were received from Crs Hodge, Husband, Vercoe and Mahuta.

SPC19/14

Moved by: Cr R Rimmington
Seconded by: Cr A Livingston

THAT the apologies of Crs Hodge, Husband, Vercoe and Mahuta be accepted.

The motion was put and carried

2. **Confirmation of Agenda**

The agenda, subject to order changes was confirmed. The Waikato Regional Council Manager, Communications and Engagement (N Chrisp) provided an update on public usage of Council digital platforms including social media.

SPC19/15

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

THAT the agenda of the meeting of Waikato Regional Council's Strategy and Policy Committee of Tuesday 7 May 2019, as circulated, be confirmed as the business of the meeting, subject to changes in item order to the order set out in the minutes.

The motion was put and carried


Report to summarise the key findings of the ‘Environment Aotearoa 2019’ report recently released by the Ministry for the Environment and Statistics New Zealand.

The report was presented by Waikato Regional Council Principal Strategic Advisor, Science and Strategy (B Huser). The following was noted:

- Recommendations were out of scope of the Environmental Reporting Act 2015.
- There was a need to proactively reverse environmental trends and to recognize sustainable thresholds in the use of environmental resources.
- Habitat protection was an area of significant concern.
- FutureProof had taken into account pressure on soils with urban expansion.
- The use of language that emphasized people as part of, rather than separate to, the environment may provide benefits.
- There were benefits to be gained by advancing the use of grey water.
- Issues relating to pesticides and heavy metals were localized.
- Levels of river ecoli had, in part, been addressed by stock exclusion, but not the level of nitrogen.

- Economic systems based largely on population growth and resource use intensification were problematic.

- The high use of water per person in the region was concerning. Water metering was the most effective way to address the issue.

**SPC19/16**

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

THAT the report ‘A summary of the Environment Aotearoa 2019 report’ (Strategy and Policy Committee 7 May 2019) be received.

The motion was put and carried

6. **Te Waka Six Monthly Report**

Report to present the first report of Te Waka, covering the period July 2018 to March 2019.

The report was presented by Te Waka’s Chief Executive Michael Bassett-Foss covering activity during the period July 2018 - March 2019. The following was noted:

- Applications to the Provincial Growth Fund had lacked sufficient regional cohesion. As a result, many had been declined.

- The Provincial Growth Fund recognized the need of sub-regions, but wanted investment to fit with a cohesive regional approach.

- Applications to the Provincial Growth Fund were a priority while money was still available.

- There were other sources of investment.

- It was great to see Te Waka up and running and acting as a coherent regional body to promote regional issues and projects.

- Te Waka would be aligning resourcing across the region.

- There was concern that the Regional Development Fund needed to provide benefits to more than part of the region.

- The Waikato Plan set out the regional housing initiative. The development of one set of reliable housing data was underway.

- The South Waikato Economic Development Action Plan (SWEAP) linked to the larger Waikato region.
SPC19/17
Moved by: Cr R Rimmington
Seconded by: Cr A Livingston

THAT the report ‘Te Waka six-monthly performance report and update’ (Strategy and Policy Committee 7 May 2019) be received.

The motion was put and carried

4. Momentum Waikato Update on the Waikato Regional Theatre Project

Report to provide an update on the Waikato Regional Theatre project.

The report was presented by the Chief Executive of Momentum Waikato Community Foundation (K Eglington). The following was noted:

- The theatre project was now in design phase.
- A plan was in place to cover the possibility that the application to the Provincial Growth Fund was declined.
- The hotel development was separate to the theatre project. The hotel would be on a separate title and have separate ownership and management.
- It was important that messaging was clear that the project was for the development of the theatre alone.

SPC19/18
Moved by: Cr A Livingston
Seconded by: Cr K White

THAT the report ‘Project update – Waikato Regional Theatre’ (Strategy and Policy Committee 7 May 2019) be received.

The motion was put and carried

7. Resolution to Exclude the Public

This resolution was made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987. The interest protected by section 6 and 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 - Waikato Regional Approach to Natural Hazard Risk Management - Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Section 7(2)(g)).

The meeting moved into closed session at 12.30pm
9. **Submissions Quarterly Update**

Report on submissions made to consultation processes, and upcoming opportunities for Waikato Regional Council involvement.

SPC19/22

Moved by: Cr A Livingston

Seconded by: Cr R Rimmington

THAT the report ‘Submissions summary report’ (Strategy and Policy Committee 7 May 2019) be received.

The motion was put and carried

10. **Meeting Closed**

The meeting was closed at 1.16pm

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Chair
Waikato Regional Council
Finance Committee

OPEN MINUTES

Date: Wednesday, 8 May, 2019, 10:00 am
Location: Council Chamber
Waikato Regional Council
401 Grey Street
Hamilton East

Members Present: Cr H Vercoe - Deputy Chair
Cr D Minogue
Cr S Kneebone
Cr B Quayle
Cr A Livingston - Ex Officio

Staff Present: J Becker - Chief Financial Officer
J Cox Team Leader - Democracy Services
2. **Apologies**

Apologies were received from Jane Hennebry.

**FC19/16**  
**Moved by:** Cr Quayle  
**Seconded by:** Cr Kneebone

**RESOLVED (Section A)**

THAT the apologies of Cr Hennebry be accepted.

The motion was put and carried

3. **Confirmation of Agenda**

Members noted the absence of the minutes from the previous meeting from the agenda. It was noted that the minutes of the committee were confirmed and approved by Council at the March meeting and were not reported back to the committee. This was the process for all of the committees of council that did not have external members.

**FC19/17**  
**Moved by:** Cr Quayle  
**Seconded by:** Cr Minogue

**RESOLVED (Section A)**

THAT the agenda of the meeting of the Finance Committee on 8 May 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 as it related to the agenda.

5. **Issues and Actions from Finance Committee Meetings**

Report to review the actions and issues raised from the previous Finance Committee meetings.

The report was spoken to by the Chief Financial Officer (J Becker) and the key points were highlighted for members.

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

- The peat soil survey will be comprehensive and provide a view of the impact of different activities on peat. The outcomes of the review and the report will be to provide a scientific basis for the Peat Soils section of the plan changes and policy reviews.

- A member noted the action to consider providing buses to the field days and asked how this could happen at no cost. In response it was noted that one of the ways that this
could be supported was through the funding contribution from Field Days, as well as utilising existing services. Another of the options was to speak with NZTA to consider funding towards the service to match the funding received from Field days.

- A member noted that the concerns from NZTA over the congestion on the highway during the field days would support the proposed action to approach them for funding.

FC19/18
Moved by: Cr Livingston
Seconded by: Cr Minogue

RESOLVED (Section A)

That the report “Matters arising from previous meetings minutes” (Finance Committee 8 May 2019) be received.

The motion was put and carried

6. **2018/19 Rates Information to 31 March 2019**

Report to provide 2018/19 rates information as at 31 March 2019.

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

- Section 11 of the report set out the 14 rating units that the recommendation was seeking remission for under the uncollectible rates remission policy.

- A member asked whether there would be a decrease in public contact if more of the rates were collected by way of automatic payment. It was noted that council's preferred method of payment was by direct debit and many of the calls are received when penalties are applied. 20% of the region's ratepayers are paying by direct debit which differs to the figures for the territorial authorities who have a much higher uptake of direct debit

- The challenge for council was that the rates bill remains relatively small and it is only issued once a year. The uptake of the direct debit option has often not been considered by the ratepayers, but is consistently offered.

- Where staff are working with ratepayers to clear rates arrears, often the establishment of a payment arrangement by direct debit is a condition of any penalty remission.

FC19/19
Moved by: Cr Minogue
Seconded by: Cr Kneebone

RESOLVED (Section A)

1. That the report “2018/19 Rates information to 31 March 2019” (Finance Committee 8 May 2019) be received

2. That the request to process remission of $11,231.37 to fourteen rating units under the Uncollectable Rates policy is approved.
The motion was put and carried

7. **2018/19 Third Quarter Financial Performance and Financial Forecast**

Report to provide an overview of the Council’s financial performance for the period to 31 March 2019, together with the outcome from the third quarter financial forecast.

The report was presented by the Chief Financial Officer (J Becker) and the Manager Integrated Catchment Management Business & Technical Services (G Ryan).

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

- the funding had been committed to capital works that were either delayed, unplanned, or intended to span multiple years, and it was required to be carried over in order for the work to be completed.

- a member noted their concern regarding matters that had been reported through other committees, where members had highlighted that there were areas where tenders were not being let at the appropriate time and works were being held up by bad weather in the construction season. In response it was noted that there was to be a report back to those committees to highlight those processes that related to the delivery of the asset renewal programme of work (including tendering of works).

- staff were improving the forecasting for the budgets and when funding would be required for works to be undertaken. The capital profile was highlighted for members and it indicated that expenditure was working through all of the different stages of delivery, starting with investigation and design and moving through to procurement, construction and completion.

- the carry forward for capital works has been at a similar value year on year.

Mr Ryan referred to page 11 of the agenda and went through the items one by one with the members. He noted with one project, a risk-based decision had been made to defer during the planning phase. Another project was planned for delivery across multiple years, meaning the budget for this would carry forward over those financial years. Projects such as the Mangawhero Pump Station was an investigation and design project that had been designed to go over two financial years and was not constrained by construction season restrictions. In addition, two unplanned pump replacements had become necessary and had been able to be accommodated by the available budget.

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

- A member noted that there was a worldwide demand for pumps. In response, staff noted that Council’s need for pumps was not large, and that staff worked closely with suppliers during the planning of projects to determine lead times for delivery. This also included the identification of the necessary progress payments to confirm procurement and delivery.
• the Lower Waikato Catchment Committee had noted their frustration at the cost of contracts and the lead in time for tenders and contracts to be in place for contractors to commence work in the zone. In response it was noted that a report would be going back to the committees through the Integrated Catchment Management Committee to highlight how the asset renewal work programme is delivered, in order to provide clarity for the members.

• staff had been improving in the area of general investigation and estimates before going to tender. There were still variations within the market, these are expected and were navigated as they happened through the control of individual projects and overall programmes. A member noted that while they were sure it was happening the perception was that the letting of contracts and works hadn't been well timed. It was important that answers given were provided to give the reasons for the delays. An observation had been made that suggested starting the process earlier to let the contract and commence the works in an ideal environments would prevent overruns and cost escalation.

• with regard to new Muggeridges Pump Station members were advised that staff were continuing to deliver the project according to an agreed Project Management Plan and within the funding that had been approved by Council. Of the funding that had been approved by Council ($6m), there was still 10-15% contingency available based on the best advice from the project at this time. There had been some variances due to issues such as exchange rate fluctuations and the need to import some additional fill material. Is was also currently expected that the project would be completed within the budget provided and would be operational by March 2020.

• a member noted there had been an offer made by Fonterra through Phillippa Fourie for council to "piggyback" on procurement of pumps, which may provide financial benefits to the council. This was not something staff had been aware of and would be investigated.

• the budget adjustments proposed did not have an impact on the proposed 2019/20 annual plan rates revenue requirement.

FC19/20
 Moved by: Cr Minogue
 Seconded by: Cr Quayle

RESOLVED (Section A)

1. That the report “Financial performance monitoring and forecast as at 31 March 2019” (Finance Committee 8 May 2019) be received, and

RECOMMENDED TO COUNCIL (Section B)

2. That the committee recommend to council the approval of the forecast budget adjustments as set out in this report (paragraph 7).

The motion was put and carried
8. **2018/19 Third Quarter Non-Financial Performance and Financial Forecast**

Report to provide the 2018/19 third quarter non-financial performance results.

The report was presented by Corporate Planning Manager (N Hubbard) and key highlights of the report were covered.

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

- members sought further information regarding measure 4.4 to determine what the delays were and what the variation in times was. The measure related to acknowledgement of the complaint and advising the informant of the process that would be taken to address the concern.

- a member asked whether it was possible to do modelling to measure the impact of industrial action to assess what the patronage trend may have been over that time to determine whether the target would have been met. In response members were advised that the assessment had indicated that the measure would not have been met regardless of the industrial action.

- the fare structure was in place and changes were tied to the implementation of a new ticketing system that was planned for August 2019.

- members noted concern that Public Transport was not performing in two areas. In response it was noted that these measures were new from the Long Term Plan. All performance measures would be considered again within the next Long Term Plan, with a view to different performance measures being considered.

**FC19/21**

Moved by: Cr Quayle
Seconded by: Cr Kneebone

**RESOLVED (Section A)**

That the report “2018/19 third quarter non-financial performance results” (Finance Committee 8 May 2019) be received.

The motion was put and carried

9. **Tenders Board Contracts Quarterly Report**

Report to provide the contracts awarded by the Tenders Board for the period 1 January to 31 March 2019.

The report was taken as read and there were no further questions or discussion on the report.

**FC19/21**

Moved by: Cr Livingston
Seconded by: Cr Quayle

**RESOLVED (Section A)**
That the report “Tenders Board Contracts for the period 1 January to 31 March 2019" (Finance Committee 8 May 2019) be received.

The motion was put and carried

10. "Procurement policy and practice overview- "Buy local" policy provisions and trend in performance- Contractor performance review processes"

Report to provide an update on procurement spend within the Waikato region, and an overview of the contract review processes employed by Council staff.

The report was presented by the Chief Financial Officer (J Becker) and the highlights of the report were provided.

During questions answers and related discussion the following was noted:

- A member noted that page 38 of the agenda (page 2 of the report) was clear in terms of what council was doing with respect to "Buy Local" and felt that the graph would be valuable for the public view.
- Hamilton City Council had a 5% margin to supply local. The council’s policy was that, all other things being equal, there was a preference to buy local but extra weighting was not applied to the vendor selection process in favour of local suppliers.
- members noted while a number of businesses could sit under Waikato for analysis as they had local offices, they were reported as out of region spend as their head office was recorded in Auckland.

FC19/22
Moved by: Cr Livingston
Seconded by: Cr Kneebone

RESOLVED (Section A)

That the report “Buy Local Procurement and Contract Review Processes” (Finance Committee 8 May 2019) be received.

The motion was put and carried

11. CE & Councillor expenses to 31 March 2019

Report to provide a summary of the Councillors and Chief Executive’s expenses for the quarter ended 31 March 2019.

The report was taken as read. During questions answers and related discussion the following was noted.

- Cr Minogue indicated his March expenses were processed in April, which was reflected in the information provided.
• a member highlighted their efforts to make contact with members of committees, where an extraordinary meeting may be required, to ensure that quorum is met, appropriate and efficient decisions are made, but without the added expense of travel for the members.

FC19/23
Moved by: Cr Minogue
Seconded by: Cr Livingston

RESOLVED (Section A)

That the report “Councillor and Chief Executive Expenses for the quarter ended 31 March 2019” (Finance Committee 8 May 2019) be received for information.

The motion was put and carried

12. Treasury Management & Monitoring report to 31 March 2019

Report to provide an update on the performance of the Council’s investment fund and cash management for the period ended 31 March 2019 and the status of the Council’s external borrowing programme for the same period.

The report was presented by the Chief Financial Officer (J Becker) and the key highlights were noted. There were no further questions or discussion on the report.

FC19/24
Moved by: Cr Kneebone
Seconded by: Cr Quayle

RESOLVED (Section A)

That the report “Treasury Management and Monitoring Report to 31 March 2019” (Finance Committee 8 May 2019) be received.

The motion was put and carried

14. Committees Reporting to Finance Committee

14.1 Minutes of Contracts Subcommittee (Open)

Minutes of the Contracts Sub Committee meeting held on 10 April 2019

The minutes of the Contracts Subcommittee were received without further discussion.

FC19/25
Moved by: Cr Vercoe
Seconded by: Cr Livingston

RESOLVED (Section A)
That the minutes of the Contracts Sub Committee meeting held on 10 April 2019 be received and confirmed as a true and correct record.

The motion was put and carried

13. **Mercer update: Fund manager review**

Report to provide an update on the quarterly investment monitoring report to 31 March 2019 provided by Mercer.

Brian Kearney of Mercer presented the report. Members received a verbal update on the recent changes within the organisation noting that the Wellington office not a satellite office of Australia, but had retained their autonomy.

Members received a presentation (Doc#14273183).

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

- in response to a question about the proposed tariffs on trade with China members were advised that the primary driver would be what the quantum of the tariff was, the timing, and then the probability of the order. The primary driver had been priced into the market since the conversation had started. A trade tariff would limit supply of goods, slowing the economy down.

- the work relating to the annual review of the fund managers would be completed sufficiently to report it to the committee by August 2019.

- the strong outperformance has continued in the March quarter and members noted the information represented 9 months. Members were advised that they would need to look at three or more years of performance to see the benefit of active management.

FC19/26
Moved by: Cr Livingston
Seconded by: Cr Minogue

**RESOLVED (Section A)**

That the report Mercer Investment Monitoring Report to 31 March 2019 be received.

The motion was put and carried

15. **Resolutions to Exclude the Public**

FC19/27
Moved by: Cr Quayle
Seconded by: Cr 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:

This resolution is 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 be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

**Contract Extension for Strategic Investment Fund Adviser**

**Non-Rates Debtors**

- Protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a)); and
- 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))

**Minutes of Contracts Subcommittee**

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

The motion was put and carried

**Return to Open meeting**

In the closed section of the meeting the following decisions were made:

**Contract extension for Strategic Investment Fund Advisor**

1. That the committee approve an extension to the contract with Mercer (NZ) Ltd for a further three years from 1 September 2019

Meeting closed at 12.20pm.
Waikato Regional Council
Environmental and Services Performance Committee

OPEN MINUTES

Date: Thursday, 9 May, 2019, 10:00 am
Location: Council Chamber
Waikato Regional Council
401 Grey Street, Hamilton East

Members Present: Cr K White (Chair)
Cr J Hayman
Cr S Husband
Cr F Lichtwark
Cr B Quayle
Cr A Livingston (ex officio) (from 11.10 am until 12.45pm)
Cr T Mahuta (ex officio) (from 11.22am)

Staff Present: N Williams - Director - Community and Services
B Sinclair - Manager Industry and Infrastructure
P Lynch - Manager Investigations and Incident Response
J Caldwell - Senior Scientist, Land and Soil
G Stratton - Team Leader Business Intelligence
M Poole - Democracy Advisor
L Van Veen – Democracy Advisor
1. **Apologies**

Apologies were received from Cr K Hodge (Committee Deputy Chair) and from Cr A Livingston (for late arrival).

ESP19/10
Moved By Cr F Lichtwark
Seconded By Cr S Husband

RESOLVED (Section A)
That the apologies from Cr K Hodge (Committee Deputy Chair) and from Cr A Livingston (for late arrival) be received.

The motion was put and carried

2. **Confirmation of Agenda**

ESP19/11
Moved By Cr B Quayle
Seconded By Cr S Husband

RESOLVED (Section A)
THAT the agenda of the meeting of the Environmental and Services Performance Committee on 9 May 2019, as circulated, and with the inclusion of Public Excluded Item 5.2 - Regional Sector 2017/18 Compliance, Monitoring and Enforcement Metrics report, 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. **Public Excluded Session**

ESP19/12
Moved By Cr K White
Seconded By Cr B Quayle

RESOLVED (Section A)
That the public be excluded from the following part/s of the meeting:

That 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 and Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

5.1 Update on Prosecutions - Conclusive reasons to withhold exist under Section 6(a) - maintenance of the law and the right to a fair trial; Good reasons exist under Section 7(2)(a) - to protect the privacy of natural persons, including that of deceased natural persons and Section 7(2)(g) to maintain legal professional privilege.

5.2 Regional Sector 2017/18 Compliance Monitoring and Enforcement Metrics - Good reason to withhold exists under Section 7(2)(c)(i) - to protect information which is subject to an obligation of confidence, where the making 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; and Section 7(2)(j) to prevent disclosure or use of official information for improper gain or advantage.

The motion was put and carried

Return to Open Meeting 11.12am


Report provided an overview of recent work within the consenting section of the Resource Use Directorate.

Arising out of questions, responses and discussion the following points were noted:

- with respect to the Fonterra Te Awamutu consent application, the Hearing Panel decision has been made to grant the consents.
- with respect to the Matamata Metal Supplies consent application, the Hearing Panel decision has been made to grant the consents, currently in appeal period.
- with respect to the Happy Valley Milk water take application. The applicant has requested that processing of the consent be suspended.
- that in addition to the Mercury Bay spat catching application, there are several other proposals ‘in the pipeline’ - at Aotea and Colville (both ‘on hold’ under s92 for further information) and Raglan (pre-lodgement consultation being undertaken). Spat catching is a pre-cursor activity to support mussel farming.
- with respect to the Wairakei Pastoral Ltd land use change application, the decision has been made to publicly notify the application if the process proceeds. It is currently ‘on hold’ at the applicant’s request.
- with respect to the Whangamarino weir s128 review initiated by Council, the remaining aspects of the technical review is expected to be completed shortly, after which the next step would be to make the notification decision.

Arrive Cr T Mahuta 11.22am

ESP19/16
Moved By Cr S Husband
Seconded By Cr F Lichtwark

RESOLVED (Section A)
That the report Resource Use Directorate Consent Statistics March 2019 (Environmental and Services Performance Committee 9 May 2019) be received

The motion was put and carried

7. **Environmental Protection Authority Approval and Reassessment Process for Hazardous Substances and New Organisms Regulations**

Senior Scientist Land and Soil (J Caldwell) provided an overview of the EPA’s approval and reassessment processes for the importation and use of hazardous substances in New Zealand, noting:
the Hazardous Substances and New Organisms (HSNO) Act 1996 definition of a hazardous substance and the role and responsibilities of the EPA; and

that while Regional councils have an ability under the Resource Management Act (RMA) to set more stringent controls on hazardous substances that relate to their functions in certain circumstances, the EPA chemical reassessment process to review hazardous substances already approved in NZ is the preferred method.

as a result of the EPA’s internal chemical screening process, a decision has been made that grounds exist for the reassessment of the pyrethroid insecticide alpha-cypermethrin which has been potentially implicated in the deaths of koura in the Oraka Stream on two occasions.

it is anticipated that there will be a call for submissions during the reassessment process and WRC will be able to lodge a submission and have a contributory role in the process.

Arising out of questions, responses and discussion the following points were noted:

the reassessment process could take some time to complete and staff will report back to the Committee as appropriate.

view expressed that the EPA’s decision to reassess the group of synthetic pyrethroids recognises the concerns raised about their use/environmental impacts via this Committee/WRC.

requested that the EPA decision/process be reported to the next round of Forestry Liaison Committee meetings for information.

understood that brodifacoum is on the EPA list for reassessment. Staff to advise Cr White the priority Group classification and any other known process information (e.g. likely timing).

as a broader issue there are numerous ‘sprays’ used in everyday life with unknown potential implications for all manner of insects, including native species such as weta. Is this an issue to consider as part of the Regional Plan review/change process?

ESP19/17
Moved By Cr K White
Seconded By Cr B Quayle

RESOLVED (Section A)
That the report Environmental Protection Authority approval and reassessment process for hazardous substances (Environmental and Services Performance Committee 9 May 2019) be received.

The motion was put and carried

ESP19/18
Moved By Cr K White
Seconded By Cr S Husband

RESOLVED (Section A)
That the order of agenda be changed to consider Item 10 - Ministry for the Environment Update next.

The motion was put and carried
10. **Ministry for the Environment Update**

Report and presentation from MfE personnel N Donovan (Senior Analyst) and J Uden (Investment Manager/Analyst) to provide an update on the National Environmental Standard for Tyres, the Waste Levy Expansion, the Waste Minimisation Fund and Waste to Energy, noting that:

- the staff team is growing as the waste management/response area of work expands.
- activities in the waste minimisation area include compliance monitoring and visits to operators and territorial authorities; waste disposal levy spend reporting; expansion of the waste levy and the development of draft guidelines on landfill best practice.
- the waste levy (currently Class 1 at $10 per tonne) is not being effective at minimising waste. Proposal to expand the waste levy parameters and charges.

Out of meeting Cr S Husband 11.53am

- technical work is ongoing to classify landfill disposal facilities. WRC Senior Scientist J Caldwell is on the stakeholder reference group, providing expert local government advice to the project.
- the waste levy expansion planned for August 2019 will utilise the landfill classification work and include a cost benefit analysis.
- the waste minimisation fund is a contestable fund, the applications for 2019 opened on 1 May and close on 28 May. Information about making an application is available on MfE’s website.

Return to meeting Cr S Husband 11.59am

- strategic outcomes of the waste projects include moving towards a circular economy and encouraging greater product stewardship. Current projects include used and end of life tyres and used plastics.
- work is also ongoing on the waste to energy project noting that there is no single solution to address New Zealand’s waste issues. There are complex considerations and issues and any solution/s need to take account of other environmental commitments and goals, e.g. to reduce emissions.

Arising out of questions, responses and discussion the following points were noted:

- the Waikato has been/is being used as a waste disposal ‘solution’ by Auckland. Historically some landfills were located close to the Waikato River and currently there is a major landfill at Hampton Downs. Auckland needs to take greater responsibility for the stewardship and management of its waste streams within its own boundaries.
- view expressed that if waste is ‘exported’ across local government boundaries in this way, then the levies should follow the waste. The exporter needs to be part of the waste minimisation and disposal solutions.
- while the Olivine/Meremere power station waste incineration proposal in the 1990s did not proceed, has consideration been given to the possibility of Huntly power station being utilised in a waste to energy venture?
- historically people/communities just ‘buried’ (in landfills), “flushed” (into waterways) or burnt waste materials. Landfill leaching will be a long term containment and
management issue. Do modern incineration technologies provide another option for some waste types? Depending on the material burnt, ash can be used as a fertiliser.

- is there an opportunity to design/build mobile bio-digestors that could be transported to and economically process suitable waste streams e.g. forestry slash and ‘harvested’ aquatic weeds? Could the Waste Minimisation Fund support such projects?
- the Portland cement proposal for used tyres is still being worked on, with a resource consent application (air discharge) lodged with Northland RC.
- development of large scale waste to energy facilities may not be economically viable given the first objective is to reduce/minimise waste.

ESP19/19
Moved By Cr B Quayle
Seconded By Cr F Lichtwark

RESOLVED (Section A)
That the report Ministry for the Environment update (Environmental Services Performance Committee 9 May) and the presentation by Ministry for the Environment staff, be received for information.

The motion was put and carried

Out of meeting Cr S Husband and Cr A Livingston 12.45pm

8. **Update on Business Intelligence Capabilities**

Team Leader Business Intelligence (G Stratton) provided a progress update on the strategic roadmap to grow business intelligence awareness and capabilities at council, noting that:

- the Business Intelligence (BI) mission is to enable staff to better use data and information, to inform decision making and to tell WRC’s story. The ‘Beyond 2020 Strategy’ is a key part of the enabling processes.

- to date the BI team has built the foundation, identified gaps in data quality and developed a ‘road map’, with the key outputs as outlined in the written report.

- the focus for 2019/20 is to enable BI self-service capability, improve access to data and improve data quality.

- the focus for 2020/21 will be around analytics and to explore how artificial intelligence ‘tools’ may assist BI processes and data (for example visual imagery).

ESP19/20
Moved By Cr B Quayle
Seconded By Cr F Lichtwark

RESOLVED (Section A)
That the report Update on business intelligence capabilities May 2019 (Environmental and Services Protection Committee 10 May 2019) be received.

The motion was put and carried
RESOLVED (Section A)
That the order or agenda items be changed to consider Item 11 - Development and Application of Sediment Source Tracking NIWA update next.

The motion was put and carried

Out of meeting Cr F Lichtwark 12.59pm

11. Development and Application of Sediment Source Tracking

Report to provide information on Sediment Source Tracking as requested at the Environmental and Services Performance Committee meeting held on 19 February 2019.

Report and presentation by Dr M Gibbs, NIWA to provide information on Sediment Source Tracking as requested at the Environmental and Services Performance Committee meeting held on 19 February 2019, noting that:

- soil erosion is a global problem and sediment a major contaminant of freshwater. New Zealand occupies 0.2 percent of the global land area but produces more than 1.7 percent of the sediment discharged into the oceans.
- under the National Policy Statement (NPS) for freshwater Councils will become responsible for managing sediment. To achieve this need to know where the sediments are coming from – how do you ‘track’ sediment?
- land use is defined by the plants growing on that land. All plants produce characteristic biomarkers that are used to identify the specific plant/s. In many situations more than one sediment source contributes to the sediment ‘pool’.

Return to meeting Cr F Lichtwark 1.12pm

- the compound specific stable isotope (CSSI) technique is used around NZ, is endorsed by the NZ Environment Court and is internationally endorsed and used in more than 40 countries worldwide.
- the CSSI results can be used to inform land/soil use management decisions.

Arising out of questions, responses and discussion the following points were noted:

- with respect to Whaingaroa (Raglan) harbour, some work has been done in the Waitetuna Valley/Stream. The ‘crops’ and the associated land management have a significant impact on soil erosion e.g. mature/unharvested pine trees are relatively stable, however at harvest, crossing streams and for the post-harvest/early replant years need to have strategies/plans in place. For maize soil erosion management needs to be an integral part of the cropping cycle.
Moved By  Cr K White
Seconded By  Cr B Quayle

RESOLVED (Section A)
That the report Development and application of sediment source tracking (Environmental and Services Performance Committee 9 May 2019) and the presentation by Dr M Gibbs be received.

The motion was put and carried

Moved By  Cr B Quayle
Seconded By  Cr F Lichtwark

RESOLVED (Section A)
THAT in accordance with Standing Order No. 4.2 - Meeting duration the Environmental and Services Performance Committee extend the period of continuous sitting time beyond three hours to complete the remaining items of business.

The motion was put and carried

9. Feedback and Complaints

Report to provide an update on Council’s feedback and complaints performance.

The report providing an update on Council’s feedback and complaints performance was taken as read.

Moved By  Cr K White
Seconded By  Cr T Mahuta

RESOLVED (Section A)
That the report Feedback and Complaints (Environmental and Services Performance Committee 9 May 2019) be received.

The motion was put and carried

Moved By  Cr K White
Seconded By  Cr B Quayle

RESOLVED (Section A)
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 the resolution are as follows:
5.2 Regional Sector 2017/18 Compliance Monitoring and Enforcement Metrics. Good reason to withhold exists under Section 7 (Section 48(1)(a). To protect information which is subject to an obligation of confidence, 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 (Section 7 (c)(i) and to prevent disclosure or use of official information for improper gain or advantage (Section 7(2)(j).

The motion was put and carried

Returned to Public Excluded at 1.37 pm.

Returned to open meeting at 1.42pm.

Meeting closed at 1.47pm.
Waikato Regional Council
Audit and Risk Committee

OPEN MINUTES

Date: Monday, 13 May 2019, 9 am
Location: Council Chamber
Waikato Regional Council
401 Grey Street, Hamilton East

Members Present: H Stevens (Chair – Independent Member)
Cr J Hennebry (Deputy Chair)
G Naylor (Independent Member)
Cr H Vercoe
Cr B Simcock
Cr A Livingston (ex-officio)
Cr Mahuta (ex-officio)

Staff Present: J Becker (Chief Financial Officer)
L Van Veen (Democracy Advisor)
J Cox (Team Leader Democracy Services)
1. Terms of Reference

2. Apologies

There were no apologies received.

3. Confirmation of Agenda

The agenda of the meeting was accepted.

AR19/16
Moved by: H Stevens
Seconded by: Cr Hennebry

RESOLVED (SECTION A):

THAT the agenda of the Audit and Risk Committee of 13 May 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 Audit and Risk Committee minutes 7 March 2019

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

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

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

- With respect to point four, a member requested trends over time for Employee Assistance Programme uptake. Staff undertook to provide this as part of reporting on this matter moving forward.
- With respect to point five, a workshop had been held with key staff and three options had been presented as a way forward. A member requested that an assessment of the risks associated with each option be provided by way of a report at the next committee meeting. Staff undertook to provide this.
- A member referred to the “Submission on the Productivity Commission’s inquiry into Local Government Funding and Financing” and its mention of treaty settlements which had been brought to the recent Strategy and Policy Committee. Staff undertook to circulate this to members.
- David Walker (Audit NZ) provided a verbal update on materiality levels applied by Audit NZ. It was noted that materiality is determined on a case by case basis dependent on a range of factors. The materiality for sensitive expenditure is set at $0.
- Members expressed that they had been provided with more specific detail of materiality when involved with other organisations. Mr Walker undertook to include considerations of materiality into the annual audit plan moving forward.
- Members queried regarding the nature of the pre-election report. Staff advised that it was authorised by the Chief Executive and targeted to inform potential candidates for. Members were assured that the report was politically neutral and would not require council sign off. Staff undertook to provide a copy of the upcoming pre-election report to
committee members once it was ready for release to ensure it addressed areas of potential risk for the council.

- With respect to reporting on capital new works projects, staff advised that reporting was now included in Finance committee agendas to ensure governance oversight of these projects.
- A member queried the status of the Infrastructure Sustainability review of which staff advised that the scope was being defined. Findings from this review would be a key input that would inform the next Long Term Plan.
- With respect to the target for measuring customer satisfaction (NPS), members were advised that this had been agreed to be reported to the Environmental and Services Performance Committee. An annual trend in performance would also be reported to the Audit and Risk committee.

AR19/17
Moved by: Cr Vercoe
Seconded by: G Naylor

RESOLVED (SECTION A):
That the report Matters arising from Audit and Risk Committee minutes 7 March 2019 (Audit and Risk Committee 13 May 2019) be received.

RESOLVED (SECTION A):
THAT the minutes of the Audit and Risk Committee meeting held on 7 March 2019 be confirmed as a true and correct record.

The motion was put and carried

6. Risk Management Activity Update

Report to update the Audit and Risk Committee on Waikato Regional Council’s risk management activities and key project risks.

The report was presented by the Senior Legal Advisor (S Jones) and Strategic Risk Advisor (J Kana).

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

- A member noted there were a number of items marked as “in progress” and sought more detail to determine how these were being managed. This was to provide assurance that mitigation measures were appropriate and being undertaken in a timely manner. Staff undertook to provide this level of detail going forward by way of undertaking “deep dives” on particular risk areas at each future committee meeting.
- In response to a member’s query regarding whether treaty settlements had been included in the risk register, staff advised this was covered generally under corporate risk # 3 and also more specifically within the proposed risk register which was being put to the committee for consideration.
- A member referred to the corporate risk identified as “off track” and sought clarification of the status. Staff advised that the status was due to its dependence on the review of the Regional Pest Management Plan.
• A member highlighted a lack of consistency between the scores within the high level summary table compared to the break down detail provided for the corporate risk status. Staff undertook to take this feedback on board as part of their work to roll out reporting under the proposed corporate risk register. It was noted that a review of current residual risk criteria and pre and post risk controls would also be undertaken.

• A member queried regarding the level of risk within the iwi relationship space. Staff noted that controls would be in place to manage those aspects that council had control over, however they would be unable to manage risks associated with external factors. It was highlighted that as council operated within a political environment, the medium risk assigned to this risk was expected and unavoidable.

• Staff noted the direction from central government to lift compliance amongst Territorial Authority activity under regional council jurisdiction. Staff highlighted this would test regional and territorial authority relationships, particularly where enforcement would be required.

• A member raised the need for the proposed risk register to retain commentary regarding consequences, as this informed the level of risk.

• A member highlighted the Submission on the Productivity Commission’s inquiry into Local Government Funding and Financing’s insight into the risks associated with climate change and financial sustainability.

• A member highlighted there was opportunity for council to improve its uptake of electrical vehicles in its fleet.

• With respect to Corporate Risk #1.3, members queried the level of commitment required by council and its role in supporting the Civil Defence Emergency Management Group (CDEMG). Staff undertook to seek clarification of the level of involvement needed to support the proposed Funding Policy for emergency response, as it was thought this might be outside scope for regional council.

• Members queried if KPMG had reviewed the proposed Risk Management Framework. Staff undertook to have this review completed as part of the process to finalise the Risk Management Framework.

• Staff advised the results of recent culture survey results. It was noted a high response rate achieved (being 83% compared to 60% when the survey was first undertaken in 2017). Culture was measured through the survey based on three behaviour types; aggressive/defensive, passive/defensive and constructive. Survey results had been positive, showing that the organisation is above the median range for humanistic and encouraging behaviour. Staff were investigating options to conduct the survey more regularly than the current two yearly cycle. This would provide more real time data.

• In response to a member’s question regarding whether the survey had tested staff engagement levels, staff advised that culture was the main focus of the survey. This focus had been informed by key research recommending culture as more relevant to lifting performance compared to engagement.

• A member raised potential risk associated with central government policy initiatives impacting on upcoming reviews by council. Staff undertook to review upcoming policy from central government in light of the work being undertaken on the regional plan review and to provide their findings at the next committee meeting.

AR19/18
Move by: Cr Vercoe
Seconded by: Cr Simcock

RESOLVED (SECTION A):
THAT the report Risk Management Activity Update (Audit and Risk Committee 13 May 2019) be received, subject to the review of the proposed Waikato Regional Council Risk Management Framework being undertaken by KPMG.

The motion was put and carried

AR19/19
Moved by: Cr Vercoe
Seconded by: Cr Simcock

RECOMMENDED TO COUNCIL (SECTION B):

- THAT the updates to the Risk Management Framework as set out in the report Risk Management Activity Update (Audit and Risk Committee 13 May 2019) be approved, subject to the review of the proposed Waikato Regional Council Risk Management Framework being undertaken by KPMG; and

- THAT the updates to the Corporate Risks as set out in the report Risk Management Activity Update (Audit and Risk Committee 13 May 2019) be approved.

The motion was put and carried

7. Key Projects Update

Report to update the committee on 3 key projects being, Healthy Rivers, Hamilton to Auckland Commuter Rail and Project Reboot.

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

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

- The Chief Executive (V Payne) noted a meeting had been held with the Healthy Rivers Plan Change 1 Hearings panel chair who had advised that more people had requested to be heard as part of the hearings process than originally anticipated and that this would impact on timing of the final decision. A final decision was now likely to occur after the triennial election.

- A member highlighted submitter feedback regarding the high cost to them of being engaged in the Healthy Rivers Plan Change 1 hearings process. The member undertook to provide the committee with more details of these costs. Members requested the submitter also provide details of costs associated with involvement with other related regional council plan change processes.

- Staff assured members that the New Zealand Transport Agency board targeted funding assistance rate of 75.5% for funding of the Hamilton to Auckland Start-up Passenger Rail Service pre-implementation work had been secured.

- Staff advised they had chosen to implement the current Waikato ticketing system as part of the new railway service, however this was subject to negotiations with our key partners. It was considered that this ticketing system would provide stronger control over fares and concessions. Buy-in from key partners was critical to the success of the ticketing system as this would ensure a streamlined approach across the service, maximising patronage uptake.
• Initiation of the Corporate Systems Replacement Project had commenced, with the mobilisation of resources occurring through to the end of May.
• A member queried regarding the timing of the next KPMG review of the Corporate Systems Replacement Project and noted the importance of the committee keeping abreast of key items of interest. Staff advised that the next KPMG review would be scheduled to review the initiation processes of the implementation project.
• A member requested whether updates on key projects could be provided in an easy to read table templated format. Staff undertook to provide this going forward.

AR19/20
Moved by: Cr Livingston
Seconded by: G Naylor

RESOLVED (SECTION A):
That the report Key Projects Update (Audit and Risk Committee 13 May 2019) be received.

The motion was put and carried

8. Policy Review Schedule Update

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

The report was presented by the Senior Legal Advisor (S Jones). There were no questions or further discussion on the item.

AR19/21
Moved by: H Stevens
Seconded by: Cr Livingston

RESOLVED (SECTION A):
That the report Policy Review Schedule Update (Audit and Risk Committee 1 May 2019) be received

The motion was put and carried

9. Business Continuity Activity - Update

Report to update the Audit and Risk Committee on Waikato Regional Council’s business continuity activity.

The report was presented by the Strategic Risk Advisor (J Kana).

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

• A member noted that work to establish a better Business Continuity Plan was needed. Staff advised that recent workshops facilitated by external experts with key staff had highlighted gaps and that this had provided the direction needed to progress to a more desired state. Three workshops with the crisis management team had been scheduled over the remainder of the year to progress the work.
• A member highlighted the need for the Business Continuity Plan to consider the impact of a new location and building next year, including proximity to the Civil Defence Emergency Management Team and facilities.
• Staff undertook to provide an update on the Business Continuity activity at the next committee meeting.

AR19/22
Moved by: Cr Livingston
Seconded by: Cr Hennebry

RESOLVED (SECTION A):

THAT the Business Continuity Activity - Update (Risk and Audit Committee 13 May 2019) be received.

The motion was put and carried

10. Annual Conflict of Interest and Gifts Declaration and Staff Gifts Register for the period 1 October 2018 to 31 March 2019

Report on the annual staff conflict of interest and gifts declaration process, and to provide a summary of gifts received by staff during the period 1 October 2018 to 31 March 2019.

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

During questions, answers and related discussion the following was noted:
• In response to a member’s query regarding the number of staff who had attended a client relationship morning tea, staff advised this had involved approximately 30 staff.

The meeting adjourned at 10.35am and reconvened at 10.45am

AR19/23
Moved by: G Naylor
Seconded by: Cr Hennebry

RESOLVED (SECTION A):

That the report Annual Conflict of Interest and Gifts Declaration and Staff Gifts Register for the period 1 October 2018 to 31 March 2019 (Audit and Risk Committee 13 May 2019) be received.

The motion was put and carried

11. Annual Leave, Wellbeing and Health and Safety Indicators

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

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

During questions, answers and related discussion the following was noted:
Chief Executive (V Payne) advised of the recently established Careers page on the council website. This was to showcase staff and their day to day work in a way which would create enthusiasm and pride amongst staff and support staff retention.

In response to a member’s question regarding the work undertaken to implement the new central government domestic violence leave legislation, staff advised that a council policy had been drafted and that adequate measures to protect staff privacy under the new policy had been implemented.

A member requested that Employee Assistance Programme trend data be provided to the committee going forward. Staff undertook to provide this.

In response to a member’s request for a status update of the incident reported to WorkSafe, staff advised that an internal ICAN investigation to understand the causal factors had been completed. Staff undertook to provide a more comprehensive update regarding the findings of the review at the next committee meeting.

In response to a member’s query regarding whether staff are able to cash out high leave balances staff advised that council are in favour of leave being used and that cashing out leave was only approved in exceptional circumstances such as financial hardship.

A member highlighted the contradiction between the policy, noting that no more than six weeks leave could be accumulated, however the report provided to the committee had highlighted staff accumulation of leave beyond this limit.

A member queried the maximum leave staff were permitted to take at any one time. Staff advised that this would be negotiated between staff and their manager on a case by case basis.

AR19/24
Moved by: Cr Livingston
Seconded by: Cr Hennebry

RESOLVED (SECTION A):

THAT the report Annual Leave, Wellbeing and Health & Safety Indicators (Audit and Risk Committee 13 May 2019) be received.

The motion was put and carried

12. Internal Audit Programme Update

To provide the Audit and Risk Committee with a status update on the internal audit programme.

The report was presented by the Strategic Risk Advisor (J Kana).

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

- In response to a member’s query regarding reference to a change to the proposed KPMG internal audit programme, staff advised that this change would see staff and KPMG working together to develop a tool that could assist with the management of key recommendations from completed audits. The member was satisfied with this change provided the committee maintained adequate oversight of KPMG’s audit findings.
- A member queried the costs of the cyber penetration test. Staff undertook to investigate and provide this cost to the committee.
A member asked whether KPMG could provide the committee with updates on any concerns arising through in-progress audit reviews. It was noted that this would be particularly helpful when KPMG were unable to attend committee meetings. Staff undertook to investigate this with KPMG and report back to the committee.

AR19/25
Moved by: H Stevens
Seconded by: G Naylor
RESOLVED (SECTION A):

THAT the report Internal Audit Programme Update (Audit and Risk Committee 2 May 2019) be received.

The motion was put and carried

13. Waikato Regional Council flood protection asset risk management

Report to provide the committee with an update on the work areas currently underway to manage the risk associated with the flood protection assets managed by the Waikato Regional Council.

The report was presented by the Manager Integrated Catchment Management Business and Technical Services (G Ryan).

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

- A member queried the type of conversations that were occurring in the community after release of the “Come High Water” flood protection and awareness communications campaign. Staff undertook to investigate and provide feedback regarding this at the next committee meeting.
- Staff highlighted the opportunity that the Mystery Creek Field Days presented with regards to promotion of council assets and better educating the community of the way in which they could partner with council towards achieving best possible flood protection outcomes.
- The Chief Executive (V Payne) advised of the recently developed hazards portal which provided an online user interface enabling the public to retrieve property-specific natural hazard information. The second phase in the project would include providing the public with the ability to generate property-specific natural hazard reports, which would replace the current manual process of requesting information through staff.
- A member sought clarification regarding the recently appointed reliability engineer and maintenance planner and whether these roles were to fill the two roles sought to service the Reboot project. Staff advised that the two asset management roles were approved through the recent Long Term Plan to support the operations staff with planning and implementation of their works programmes. The Reboot project roles had been filled by one existing Asset Management Team member to enable the transition to the new system, as well as one new fixed term staff member. The existing staff member had been backfilled through another fixed term role.
- A member requested information to better understand the condition of council assets and to identify where the highest risk was within the network, particularly under high rainfall events. Staff undertook to investigate the best way to provide this information to the committee.
• A member queried whether staff held robust information regarding asset condition as well as maintenance and improvement needs. Staff advised this was part of the business case approved by council through the recent Long Term Plan and had resulted in the reliability engineer and maintenance planner roles being approved. These roles would provide the level of oversight sought.

AR19/26
Moved by: Cr Hennebry
Seconded by: Cr Livingston
RESOLVED (SECTION A):
THAT the report Waikato Regional Council flood protection asset risk management (Audit and Risk Committee 13 May 2019) be received.

The motion was put and carried

14. 2018/19 Annual Report - Accounting Estimates and Judgements

Report to provide the committee with an overview of the process for the preparation and approval of the accounting estimates and judgements that underpin the financial statements to be included in the 2018/19 Annual Report.

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

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

• Staff noted that there were a number of items which are yet to be finalised. It was noted that these would be worked through between staff and the independent members ahead of the next committee meeting, to ensure that a review of these estimates and judgement had been undertaken before they were included in the annual report to be provided to Audit NZ.
• A member queried whether consideration had been given to the more frequent turnover of council vehicles and the potential for more favourable sales proceeds as a consequence. Staff undertook to investigate and provide feedback to the committee.

AR19/27
Moved by: G Naylor
Seconded by: Cr Hennebry
RESOLVED (SECTION A):
That the report 2018/19 Annual Report - Accounting Estimates and Judgements (Audit and Risk Committee 13 May 2019) be received and endorsed.

The motion was put and carried

15. Resolutions to Exclude the Public

AR19/28
Moved by: H Stevens
Seconded by: Cr Hennebry
RESOLVED (SECTION A):

THAT the public be excluded from the following parts 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:

2018/19 Annual Report - Public Excluded Accounting Estimates and Judgements

- 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 (7(2)(b)(ii)).

Fraud Risk Management Framework Activity - Update

- To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (7(2)(i)).
- To prevent the disclosure or use of official information for improper gain or improper advantage 7(2)(j).

Fraud Trends - Presentation by Audit New Zealand

- To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (7(2)(i)).
- To prevent the disclosure or use of official information for improper gain or improper advantage 7(2)(j).

Potential Liability Claims

- 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)
- To maintain legal professional privilege, Section 7(2)(g)
• 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).

Drainage and Flood Control Liability Issues

• To maintain legal professional privilege, Section 7(2)(g).

Public Excluded Minutes of the Previous Meeting of the Audit and Risk Committee

• To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, Section 7(2)(h).
• 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).
• To maintain legal professional privilege, Section 7(2)(g).
• 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).

Key Projects Update - Hamilton Accommodation Tristram Precinct (Connect 2020) Project Update

• 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).

Meeting returned to open session at 12.30pm.

Meeting closed at 12.30pm.